

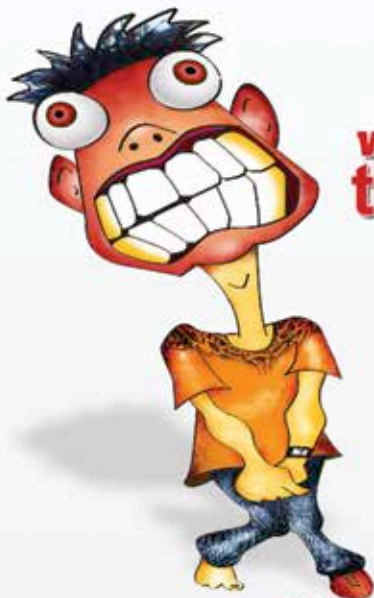
digit **FastTrack**

YOUR HANDY GUIDE TO EVERYDAY TECHNOLOGY

To **E-commerce**

- E-commerce in India
- Types of e-commerce sites and how they work
- How secure is your online transaction?
- The Dos and Don'ts of e-commerce
- A definitive guide to buying from abroad
- How to sell things online
- Team Digit's picks: Top 50 e-commerce sites in India
- How and where you can voice grievances
- The future of e-commerce in India





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Introduction

The move towards online shopping or e-commerce is an inevitable one. Though not a new concept, e-commerce has moved from the once-burnt hands of the early adopters to the masses. As more and more people around the world (but more specifically, in our country) get connected – through not just PCs, but even mobiles – we will see a rise in the number of transactions online. Perhaps not just the number of things being sold, but also the types of things and *how* they are sold. So what has changed over the years? Is it just more people online equals more e-commerce? Or has there been a shift in the mindset?


To answer these questions let's look at the way things were bought traditionally. In the real world (physical shopping) there was an element of touch and feel – something which we took for granted. There was also the notion of accountability. Should something go wrong with the product you purchased, the seller was always nearby. You could get him to change it, you could crib, rant, vent and maybe even get your money back. Lastly, there were those little pieces of paper you still carry around in your wallet. Cash.

For this rise in e-commerce we are witnessing today, things had to evolve. The web sites themselves had to try to incorporate or at least emulate as many of these real world experiences as possible, and at the same time the consumer had to change his mindset and come up with his own workarounds. To get over the lack of touch and feel, e-commerce web sites started showing product pictures differently. They developed zoom and 360 degree views. This was accompanied by reviews. Testimonials came about to build trust. Money back guarantees became the norm and product replacements / exchanges were offered. The consumer on the other hand began evolving his own methods. For touch and feel the physical shops or friend's purchases were always there. For actual purchase online turned out cheaper! How? The seller had lesser overheads. The consumer's trust in online shopping was further bolstered when he heard stories of friends and family doing successful transactions online. "Hey my money actually reached the seller in a digital form and no one stole it as it made its way through the internet in the form of bits and bytes", was a revelation many a

consumer experienced. The *pièce de résistance* was when e-commerce web sites in India started giving COD or Cash On Delivery for even high value purchases. The consumer could only hold out so much...

This FastTrack looks at this evolution in depth and helps you with not just the theory but also lays down practical advice to aid you in your online purchases. It explains the underlying security of various payment platforms and at the same time gives you a list of safe practices.

Next you find out ways to get your hands on the latest gadgets by shopping from abroad. If you're wondering how you can get a piece of this delicious e-commerce pie, we'll show you how you can use the convenience of e-commerce to get rid of your own stuff, and also cash in on the e-commerce boom by setting up your own e-commerce web site. We finally wind up with our top 50 sites for the geeky e-shopper.

Happy reading and happy shopping! 



WHAT IS ECOMMERCE?

Find out what e-commerce is really about and everything else you need to know about the current state of this realm in India

Internet, E-Commerce, Daily Deals, and Click-n-Mortar are all terms that are present in our daily vocabularies today. But, try mentioning these words to your great grandparents and they will probably give you a quizzical look, as it means nothing to them. The world as we know it today has changed and evolved from the world we knew ten years ago. Now, someone sitting in Australia buys “cool things” from a daily deal site in New Zealand which sources its products from China that are made by people

from the Philippines and gets it delivered to her doorstep without her having to step out of her fuzzy slippers. If you think this was possible before 'e-commerce' came into our lives – think again!

So what is this magical term e-commerce that lets us buy things from all around the world simply through the magical portal called the Internet? How did it come into being and importantly how big is it really today in India?

Put simply, e-commerce is the term used for buying and selling goods and services through the Internet. The first form of e-commerce

started in the 1970s when it was used by businesses to send commercial documents such as purchase orders or invoices electronically. However, it wasn't until 1990 when the World Wide Web was introduced and it took another four years until advances such as online banking and the opening of an online pizza shop by Pizza Hut in USA took place. During this time (1994) Netscape introduced secure encryption of data transferred online which gave birth to Amazon in 1995 and E-bay in 1996 in the United States.

However, in India, e-commerce did not really pick up steam until much later. In fact, in India online shopping only gained in popularity post the dot com bubble bust in 2000. In the past 12 years, online shopping within India has developed and evolved to a great extent. E-commerce in India has gone from having a few online buyers that were hesitant to buy even small ticket items despite having credit cards, to a thriving community of customers that are comfortable buying a wide range of items online and do so without owning any form of credit at all.



Initial problems with e-commerce

In the early days of e-commerce, there were significant structural and

procedural problems involved with buying online. We talk about the main ones below and innovations that have been designed to overcome these problems, which are unique to India.

Internet Adoption

When e-commerce was introduced in India, the customer base in India was low due to the lack of Internet access for customers that did not live in the major metros of India. Moreover, even in the metros Internet speeds were slow and broadband was rela-



tively unheard of. This made creating a positive user experience for the customer a challenge for businesses who were forced to keep their sites simple, with few images. Therefore, the earlier versions of e-stores did not have the big images and elaborate product descriptions that we now take for granted.

Businesses also had to battle with the customers' innate need to touch and feel the product prior to purchasing it. In the early days of e-commerce customers had to rely solely on the product description listed on the site and the basic product images that accompanied this description. This required a significant trade off in terms of the shopping experience from the customer, which meant that online shopping was perceived as being risky.

India, a vast country

Due to the vast area that India is spread over and the unreliability of the postal system, e-commerce businesses had to invest significant amounts of money in planning the logistics and ensure that they were able to secure products from suppliers promptly and more importantly that customers received their products within the promised time-frame.

For the customer that had to already deal with the disadvantage of being unable to experience the product prior to purchase, thanks to the ambiguity of the Indian postal system there was also the risk that the product may not reach your doorstep. Moreover, if it didn't most e-commerce sites did

not have a human being behind the website which meant that the customer had to accept that if anything did go wrong, there was no 'collar' that could be grabbed.

Payment problems

While majority of e-commerce enterprises globally operated through PayPal or credit card payments, this was not possible in India where more than 90% of retail transactions are made in cash. In addition to that, prior to the economic boom of the 2000s in India, penetration of credit cards was low within the market and customers did not even own debit cards. This meant that even though there were customers willing to take the risk of buying products from a new portal, the inability to complete the purchase was another obstacle that the customer had to overcome. This problem has not diminished in India even today where even though a huge proportion of customers have credit and debit cards, the perception that cash transactions are safer than those done online prevails widely.

To overcome these problems, there are some features unique to the Indian market that have been developed:

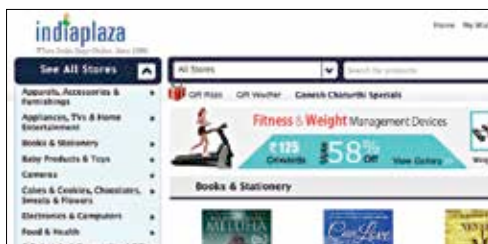
1. **Cash on Delivery** – Introduced widely in the Indian market to overcome customers' risk of paying for un-seen and potentially un-delivered products upfront. In this model, while the customer places the order on the internet they only have to pay for it when it is delivered to your doorstep in a similar way to the delivery service model of pizza outlets worldwide.
2. **In-house hiring of delivery staff** – Flipkart, which was setup in 2007 are pioneers of jettisoning courier companies in favour of an in-house delivery service to overcome the risk associated with the product not reaching the customer on time or getting misplaced/damaged in transit. By not out-sourcing deliveries companies are able to control the last mile for deliveries which significantly decreases bottlenecks within the operations.

India Plaza – India's first e-commerce store

India got its first e-commerce store in the form of India Plaza in 1999, which then offered only music CDs for sale. Back then; India had less than 3 million users on the internet. Between February and October 2000, the website introduced many additional categories including movies, watches, books and groceries and in 2002 even went the way of brick and mortar by launching the first offline grocery store in Bangalore, India.

Since its introduction, the company has grown and evolved. Shortly after their introduction, Indiaplaza was re-branded as Fabmall. The business then also restructured into two separate online and offline entities and Fabmall.com once again became Indiaplaza – this time with a difference. In 2007, two distinct India-centric websites were launched with indiaplaza.com created to serve customers in the US and indiaplaza.in being created to serve customers in India. However, as e-commerce has grown and the world has become a smaller place, in 2011, Indiaplaza introduced a common single website to serve customers worldwide.

Today, Indiaplaza offers over 10 million items online for sale across books, music, videos, CD-ROMs, electronics, camera, mobile phones, appliances, apparel, flowers, chocolates, cakes, sweets toys, watches, food items etc. – you name it, they probably have it. With nearly 1.5 million customers worldwide, Indiaplaza is the most popular destination for Indians outside India to send gifts to their friends and relatives living in India.



Indiaplaza is as old as the ecommerce industry in India. However, even after successfully concluding private equity funding in 2011, K Vaitheeswaran, founder and CEO of Indiaplaza feels that the e-commerce industry in India has all the makings of a perverse fight as flush with cash from venture capital, online retailers in India today are pursuing a single-minded strategy of acquiring as many customers as they can by cutting prices and aiming solely for topline growth without any thought of making money. Growth has taken precedence over profitability – the key tenet of any business. Think about it. Today, if online retailer is cutting into their 35% margin to offer you a 40% discount and also offers shipping for free – how long can this model be sustainable?

E-Commerce in India: The long journey of evolution

The Indian e-commerce industry has come a long way since its humble beginnings some years ago. Then, online transactions were predominantly

related to travel and banking functions. This changed and people started buying products of relatively low value across a range of categories such as home décor, gifts, books and flowers. As credit card penetration increased and a larger sector of people became comfortable with transacting online, e-commerce shops started offering fashion & lifestyle products as well as high value items such as electronics.

How have things changed you ask?

For a start, customers started spending more time on the Internet and became more aware of the wide range of products available on the world wide web, which simply did not compare to the local kirana store or neighbourhood mall. As virtual social networks grew in popularity, online stores introduced the ability for existing buyers to review products they have bought thereby adding the validity of 'friend' recommendations that physical purchases used to thrive on. Sites have gone from having a single product image to having multiple high-resolution images with some even offering product videos and try and buy options.

Websites also went one step further and started offering huge discounts on products offered at physical retail stores, thereby passing the benefit gained from economies of scale to the end consumer. While this strategy has definitely led to growth, whether it has led to long-term profitability is yet to be determined as what started of as an incentive to grab customers has created a culture where customers

go shopping for discounts from one online store to the other. In fact, several start-ups are now making money by recommending customers the cheapest site that they can purchase their products from.

Another recent advancement has been the advent of 'deal' websites. These special sites such as Snapdeal and Crazeal have changed the way Indian customers shop both online and offline by offering huge discounts on a wide variety of products and services for limited periods of time. Such



sites have become enablers for small businesses and for many it is a key part of their marketing strategy. What is the impact on the profitability for such brands however remains to be seen. While businesses now get an opportunity where huge volumes of customers come to try their products, many customers claim that they do not receive the same level of 'service' that full-paying customers do which means that instead of creating a base of repeat customers. This has created a new segment of customers that hop from business to business seeking the next best deal.

As e-commerce in India continues to grow, there are several 'luxury' players that also now want a piece of the online shopping pie. There are websites today such as Excluzen.com, Fashionanyou.com as well as caratlane.com where one can buy couture fashion the likes of Jimmy Choo and Cavalli, limited edition accessories and handbags as well as pure diamond jewellery online with price ranges being anywhere from Rs 10000 – Rs 5 lakh per item. To reduce the risk associated with making such high value purchases online and to entice customers, these websites not only offer discounts upto 25% of the retail price but some also have EMI facilities. Moreover, some fashion retailers have opened 'experience lounges' for their customers to try the product before purchasing their order.

E-commerce is now part of everyday vocabulary and people are buying everything from a photo print to a plane ticket online. In 2012, some say that e-commerce has come of age while others say that it is still at a nascent stage in India. However, one thing is clear - This decade is likely to be the decade of e-commerce.

Here are some thoughts from the market leaders on the e-commerce revolution in India:

"When 99labels first started out, we were entering an e - market which largely catered to online ticketing and banking functions. Online shopping for fashion was not popular in India, despite being a rage abroad with sites like Gilt, Fab and Vente- Privee catering to online fashion shoppers. Also, e-commerce in India had a mainly male member base. All of these factors have changed with time" – Ishita Swarup, CEO and Co-Founder, 99Labels.com

"With the popularity of social networks increasing and with the introduction of smartphones/tablets, the E-Commerce space has witnessed a complete transformation. Retailers are preparing for a splurge in online sales this year, with nearly 60% of shoppers expected to spend more money in 2012" – Praveen Sinha, Co-Founder, Jabong.com

“Online shoppers benefit from the great variety, great deals and convenience of home delivery offered by e-commerce websites. Indian online buyers are buying everything from the latest laptop to a beanbag from the comfort of their homes, cyber cafes or even their mobile phones. E-commerce has great relevance in cities outside of the few where modern retail has penetrated. Consumers from these smaller cities, towns and villages now have immediate access to all latest gadgets and products immediately upon their launch” – Muralikrishnan B, Country Manager, eBay India.

Local Success Stories

There has been a proliferation of e-commerce sites in India with a majority of them working towards the ‘Master of All’ strategy where a wide range of products ranging from groceries and flowers to fashion and electronics are offered through their portals. Some of these recent success stories are Jabong.com and Yebhi.com

Jabong.com was founded in India in 2011 and is an online fashion and apparel store but also deals in furniture and homewares. Tagged as ‘delivering lifestyle’ within 4 months of launch of operations, the company has over a million page views daily and has an Indian rank of 66 on Alexa ratings which provides website analytics. When asked on how Jabong reduces the level of risk associated with shopping online, Praveen Sinha, Co-Founder of Jabong.com said, “Trust is an important factor in the buyer-seller relationship and this is especially so for the online community. To build customer confidence, we have introduced a 30 day return policy as well as the concept of open box delivery where we insist that the customer checks the contents of the package before accepting delivery”.

Yebhi.com, another popular e-commerce site founded in 2009, started by powering the sale of multi brand footwear online and later expanded into other categories like Apparels, Accessories, Bags, Jewellery and Mobile. In 2011, the company was awarded the ‘Highly Commended Website’ award by Online Retail Awards. Their business model is differentiated from other competitors as, “Yebhi.com deliveries are made by Yebhi Champs who as B-school graduates and offer all round support like product demos, installation, return or sales support. In comparison to others, we offer a 100 days return policy and have introduced a friendly ‘One-click automated returns’ as part of our user interface”, says Jatin Modi, Assistant Vice President: Business Strategy, Yebhi.com



International E-Commerce Phenomenon – eBay

Since the introduction of Indiaplaza into the Indian market, it is clear that the industry has progressed and continues to evolve to better meet the needs of the customer. However, no story about e-commerce can be complete without talking about international e-commerce giant, eBay.

eBay globally as well as in India has been an e-commerce powerhouse and have changed the way people shop around the world. eBay entered India by acquiring Baazee in August 2004 and launching eBay India in March 2005. The company is a market leader in nearly everyone one of the 39 markets where they have operations and in India has over 4 million registered users. “At any given time, there are over 6 million live listings on eBay India across 2000 categories of products in electronics, lifestyle, collectibles and media verticals and approximately 30,000 sellers sell on eBay India annually”, says Mr. Muralikrishnan B, Country Head, eBay India.

So, why is eBay such a global phenomenon? It’s because eBay has a unique business model. Rather than sourcing products from established brands and selling these for a margin, eBay India has instead created the largest online bazaar globally that is free of middlemen and unconstrained by geographical boundaries which makes it possible local products to be sold across the country and exported across the globe.

E-commerce has come of age in India and recent eBay census documents the following interesting facts:

- ▶ Over 45% of all purchases are in the lifestyle category with 30 – 35% of online shoppers in 2012 being women
- ▶ India contributed 40% to eBay's global transactions
- ▶ Mobile e-commerce is the latest advancement and eBay Inc clocked in revenues of US \$5 billion globally from mobile commerce in 2011

As eBay continues to expand in India, the company sees great promise in tapping the Tier 2 and Tier 3 cities of India as well as the rural markets. “The Internet & Mobile Association of India (IAMAI) has estimated that the industry will grow at an encouraging pace of 70% year on year. E-commerce websites in India therefore need to be built for scale. At this nascent phase in the industry, it makes more sense to have a horizontal play rather than serve vertical niches”, adds Mr. Muralikrishnan

India's claim to e-commerce fame: The Cash on Delivery (COD) Model

India is predominantly a country whose economy runs on cash. Though in recent years, credit cards have penetrated the market, Indians continue to remain skeptical about shopping online if it involves having to share credit card details or paying up-front without having the physical product in their hands. While cash on delivery is touted to be one of the best innovations in the Indian e-commerce industry, business continue to have mixed sentiments about this model that has become synonymous to Indian e-commerce.

E-commerce businesses that are operating within a niche market in India such as 21 Fools, an online company that sells greeting cards feel that, “Cash on Delivery is one of the best innovations within the segment as customers currently have a feeling of ‘inertia’ when it comes to sharing their card details and due to the proliferation of the concept tend to not purchase from sites that do not offer this option”, says Divyanshu Asopa, Co-Founder, 21 Fools.

However, when the same question is asked to more estab-



lished players within the industry, they feel that COD is a very inconvenient payment option for consumers as well as merchants and they strongly encourage their customers to pay online. “From a merchant’s point of view, Cash on Delivery allows customers too much time to change their mind, which they do! Within the industry, the return rates for COD products are as high as 45%. Moreover, when the customer does accept the product and pay, courier companies enjoy the cash float and take long period of time to return the cash



to the companies thereby making this entire model one that is not financially sustainable in the long term”, says Mr. K. Vaitheeswaran Founder & CEO Indiaplaza.com – one of the few sites that enjoys the privilege of having over 95% of all their orders being paid directly online.

Hot or not, the COD model seems to be here to stay within the e-commerce market as more and more players enter the market almost on a daily basis. One can only hope that like many of the other problems that the e-commerce industry has overcome, this too shall be created into a positive opportunity for business and customers alike.

Heroes in the Making

Each new e-commerce model that is introduced within the Indian market today brings to the fore traditional models that have been re-designed to create businesses that have the potential to make it big within the industry. Below are just three from the very many that are capitalizing on the high paced urban Indian lifestyle to offer true value to the customer:



LocalBanya.com: This site is what busy working individuals have probably been praying for. Rather than waste time separately calling the chemist, local veg vendor and the corner grocery store as well as making that monthly trip to the supermarket, Mumbai-ites can now simply order it all online through one portal and it is delivered to your doorstep, more importantly exactly when and where you want it. If that wasn't enough, they also promise to offer the best prices with upto 40% savings on retail prices on some items. With a growing product portfolio of over 4600 products, LocalBanya is all set to give your kirana shop some tough competition.

21Fools.com: With a name as intriguing as 21 Fools and a vision to make people smile, here is a portal that sells cards for all occasions. The company believes that a special day is not needed to make someone happy or to thank them and sending them a card is a timeless way to bring joy to that loved one. Their newly introduced break-up cards are as poignant as their popular birthday and thank-you category of cards and the company hand writes each card with a message of your choice to give it that truly personal touch.


FlybyKnight.in: Ever faced the problem when the hunger pangs hit you in the middle of the night and the empty shelves on your refrigerator mock you or a group of hungry friends drop by for a 'surprise night in'? FlybyKnight comes to your rescue specifically for those moments and provides a midnight delivery service for essentials such as food, drink and other unmentionables.

With innovative marketing strategies such as Midnight quizzes and a countrywide drive to send cards to the jawaans on the border for Independence Day, these upcoming niche e-commerce sites prove that expanding horizontally and being the 'Master of all Trades' may not be a strategy that works in the future.

What the Future Holds?

The future is e-commerce. The Internet has added an entirely new level of convenience and consumer service to shopping that no physical retail stores can match.

From the big daddies' of e-commerce such as Indiaplaza and eBay India to next generation of businesses such as LocalBanya, all believe that the Indian e-commerce story is ready to grow exponentially. Large offline retail chains are expected to enter the online space, mobile commerce is picking up and awareness about online shopping is spreading to rural India. While some businesses are using traditional mediums of advertising to increase their reach, others are betting big on search engine optimization while another sector focuses on guerilla marketing strategies to engage customers.

There is no doubt that e-commerce has penetrated deep into India and the industry is now poised to become a vibrant business eco-system. 



TYPES OF E-COMMERCE WEBSITES

This chapter explores the different business models that are followed by e-commerce websites in India

E-commerce in India has come of age and has become a popular medium for consumers to buy a variety of products and services from brands and merchants. Today, e-commerce co-exists with modern retail and for the many that live outside the key metros; online shopping has given them access to brands that are not available in their city or town.

Since e-commerce was born, the business models used have also evolved and grown rapidly. What started as a simple channel for retailers to expand their reach to consumers and for airlines to sell tickets has grown into a stand-alone business sector where several businesses co-exist through a range of unique revenue models.

There are sites that offer auctions on branded items, sites that let you loan your second property to travellers, sites that have created an online marketplace and even sites that recommend what sites you should shop from. Online businesses need to be built for scale and while that is true, there are also sites that have created a niche for themselves online and become knowledge partners to the customer by offering specialist products and services.

An estimated 100 million Indians spend their time online consuming content and indulging themselves in commerce. Some of the models used by businesses to engage their consumers are:

Megamall – Your favourite departmental store but online

Marketplace – Where you know you will get a good deal, you only need to look

The Deal-Maker – When going to the same place for an expensive haircut is not your thing

Vertical Marketplace – The shopping mall for a specific segment

Going once, going twice, Auctioned! – For those that like the thrill of the chase

Community Buying – For when buying alone is just no fun (and expensive!)

The Aggregators – The ‘Know-All Aunty’ of the Internet

Facebook Commerce – To cater for the Facebook addicts of the world

The Single Brand Crossover – Your not-so-local brick store that now has a click store

We look now at how these models work and what makes them different from each other.

The Megamall

The online megamall concept is perhaps the oldest and till date most popular business model within the industry. Here, much like its traditional counterpart, businesses bet on the products their consumers would most like to buy and stock those in a virtual store. Customers then go online and purchase the products they like and pay for it using a variety of mediums such as credit cards, net banking or cash on delivery. These stores then have their own dispatch team that delivers the product to the customer in the promised time frame.

Examples of such stores are many but the one that we are all familiar with is Amazon globally and Flipkart, Infibeam, and Indiaplaza within India. Business models such as these are popular for the same reason that

malls are popular – you only need to go to one place to find a multitude of products from various brands. But why online? Well, because these online megamalls pass on cost savings in the form of discounted products and customers can buy these anytime, yes even during office hours.

The key to the success of such business models is scale. “Through online megamalls, people have the privilege of being able to compare a wide variety of brands, styles and prices easily through the comfort of their home. Such sites have become very popular not only in metros but also in the smaller cities as people in India today have the aspiration and purchasing power to buy but often not the accessibility to a particular brand”, says Praveen Sinha, Founder of Jabong.com which is another entrant within the megamall category in India.

To ensure that their business model continues to remain relevant, the online mall has evolved greatly since its birth. Some of the latest features include:

- ▶ Ability to read product reviews before buying a product. Much like taking your friend shopping with you, only better.
- ▶ Super fast delivery times so the thrill and satisfaction of buying something is retained
- ▶ Open box policies so that the customer can touch & feel the product before accepting delivery
- ▶ Cash on delivery, so you don't need to pay for it until your new gizmo is safely in your hands.



Marketplace

In terms of size, the marketplace concept is as popular as the megamalls and has enabled the creation of a virtual ‘main-street’ of the world. At the core of the marketplace concept is the community. Here, the site enables multiple smaller stores to co-exist and operate within a common eco-

system. The difference is that the product may not necessarily be from a particular ‘brand’.

The online marketplace has changed the way people shop and eBay has been the pioneer of this concept globally as well as in India. Such a concept enables entrepreneurs to access wider markets and makes it possible for local products to be sold across the country as well as be exported across the globe. The marketplace concept is free of middlemen and unconstrained by geographical boundaries, thereby, enables frictionless trade between buyers and sellers. Moreover, for the e-commerce business, being a marketplace means they don’t need to hold inventory and they can focus on shipping and handling, thereby, enabling them to pick up products from the seller and deliver them to the buyer faster.

Within India, while eBay continues to enjoy popularity there are also a few players that have modified this concept to create a marketplace for all things Indian. One such being Shopo.in.



“Shopo is one of the first Indian marketplaces that was specifically created for Indian designer and handcrafted things. There are about 35.4 million handicraft artisans across India and platforms such as Shopo enable them to give their business exposure and their products a unique identity”, says Krithika Nelson, co-founder of Shopo.in

So, what’s needed to be successful? For the marketplace concept to be successful, the business must not only have excellent merchants selling unique products through their shops but it must also have a large community of subscribers to attract the relevant merchants. Moreover, with the world going social, marketplaces too need to go social as it enables customers to interact and engage with the website as well as the merchants that showcase their business on the site.

The dealmaker

Now here’s a model that is at most times a win-win for both customers and businesses, and has swept across the world. It is the dealmaker. With deal sites, customers get exclusive access to great deals from a wide variety of

local businesses, while businesses get the chance to serve new customers or even re-activate lapsed customers. What makes this model different from the megamall is that the discounts offered here (anywhere from 40 – 90%), are for a limited period and opens up e-commerce for a new category of businesses, namely those within the service sector.

The dealmaker model has revolutionized e-commerce as for the first time customers can buy services that have a high perceived value such as discounted restaurant experiences, spa packages or tickets to a concert. For the businesses supplying these deals, they are able to get access to a new customer base and woo the customer into becoming a repeat by giving them a chance to experience the service first-hand. Perhaps the biggest such deal site in India is Crazeal, a fully owned subsidiary of the global Groupon group. Crazeal offers deals to its customers over a wide range of products and services such as home décor, gadgets, travel, food & beverage and wellness to name a few.

Do such sites encourage deal-chasing and customer disloyalty? “Initially, sites that only took a token fee from the customer and asked them to pay the balance to the merchant were problematic. However, most such sites have died or changed their model, as having such practices is not sustainable. When executed properly, deal sites create excitement and buzz for a brand and if payment is done upfront results in guaranteed business for the merchant”, says Ankur Warikoo, CEO of Crazeal.com (Groupon India), a business that has created a model where cash-on-delivery accounts for less than 15% of their sales, rejection rates are only 4% as compared to an industry average of 15 – 20% and customers are given a promise of 100% satisfaction with the deal or their money returned.



The vertical marketplace

E-commerce is an endless aisle, in which consumers can shop products from all over the world. However, the appeal of specialist shops is just as strong online as it is offline and there are specialty sites in just about every category. While the concept remains similar to the online mall, these websites operate

within a specific niche and sell products only within a particular category thereby positioning themselves as a knowledge leader. As niche websites operate only within a single sector, they are able to stock more brands and a wider range of products in that segment as compared to what a horizontal website such as Yebhi or Flipkart would. This results in a chain reaction of the site gaining more eyeballs as wouldn't you rather purchase a camera from a camera shop rather than from a generic departmental store?

The Indian market, which was till now flooded with multi-product e-commerce sites is now seeing new ventures that are betting big on niche categories. For example, there is Lenskart.com for eyewear, Bagskart.com for bags, Zimave.com for lingerie, BeStylish.com for shoes and Jewelsnext.com for jewelry. As the e-commerce industry in India starts to get crowded, newer players are looking for areas, which have not been touched widely. Consequently, niche sites are emerging mostly in two categories – fashion and healthcare.

The vertical marketplace model “has a bright prospect for the future and is as viable as multi-brand outlets are in the offline world. The aim with such a model is to become the one-stop destination for connoisseur's within a particular category”, says Shailen Amin, CEO and Co-founder, BeStylish.com.

In India, just like the traditional retail world, both the online mega mall and niche websites will continue to co-exist and grow simultaneously because people looking for multiple products will go with



players that operate horizontally while those looking for more varieties in one segment will go for the niche players.

According to the Internet & Mobile Association of India, there are roughly 360 e-commerce sites operational in the country and in recent months almost 30 – 45 new ventures have come up that cater only to single verticals. Check out some of these other niche sites:

- Allschoolstuff.com for all types of educational products
- Heavenandhome.com for home furnishings

- [Veev.com](#) which offers luxury leather products
- [Menzkart.com](#) that looks at the largely untapped market of Men's hygiene and personal care
- [Laptopwale.com](#) that sates the hunger of the mobile computer within Indian society
- [Footsy.in](#) that sells an unnoticeable commodity – socks!

Going once, going twice, auctioned!

A relatively new concept in auction sites and gaining popularity in India is that of minimum bids. The business model employs a mixture of an auction and a strategy game to sell high value items through a lowest unique bid. These auctions require bidders to make a bid that is not only the lowest but also one which has not been made by anyone. How do businesses make a profit by selling items worth thousands of dollars for peanuts? Well, typically the site charges a low participation fee and since the auction attracts a sufficiently large number of bidders, often the bids exceed the value of the item being sold, thereby allowing the auction organizer to make a profit.

Indian site, [jeetle.in](#) is one such popular example, which has a traffic rank of 1426 amongst users in India. Other Indian auction sites include [mybids.in](#), [almostfree.in](#) and [bidjeeto.com](#) to name a few. There is also [bidstall.com](#), which uses a different bidding model where participants must enter the highest unique bid though the maximum bid for any product does not exceed Rs 10.

Globally, there are also other types of auction sites such as [sella.co.nz](#) in New Zealand where various brands set up their own stores and offer products up for auction. Other examples are [trademe.co.nz](#) and [eBay](#), which are used by the community to sell not only new but also second-hand products through the auction model.

The auction business model works because it encourages repeat visits to sites but also results in strong customer engagement with the brand.

Community buying

When buying alone is just no fun, there is the community-shopping model. This model is employed in different ways by different sites but they all use the power of people to engage eyeballs and generate value. The community-shopping model is a combination of the vertical marketplace and megamall models and is best explained through examples.

Let's look at US site *Little Black Bag*. Mimicking Japanese department stores 'fukurburo' (lucky bag) sales, shoppers here receive a mystery bag with a selection of fashion and beauty products every month. They then get a week to trade with other users to make their perfect collection and the excitement is increased further by the fact that select bags contain prizes worth 4 to 5 times the value of the bags.



Another example is Nev-erlikeditanyway.com, which is like an eBay for the broken hearted. Users that have been heart broken from a previous relationship upload images of an item that for them has bad memories and then give it a 'break-up price' which is much lower than what it would be worth in the real world so that sneaky buyers looking for a bargain can snap up these reduced price items.

Online classifieds sites such as Quickr.com and Olx.com in India are also community based. They use the age-old model of connecting buyers with sellers and have established a great following. Any user that wants to sell his old television or is looking for a second-hand car now but doesn't want to scour the local market can post their requirements or quote a price for their goods and instantly be connected to a community that would be interested in purchasing or selling those to them. Over time, these sites have also evolved rapidly and are used for connecting people to just about anything be it classes, real estate, jobs, cars, matrimonial, vehicles – the list just keeps on going.

These are just a few of the many examples of community-based e-commerce. What's great about them is that have harnessed the best part of being online – mass collaboration and social networking and plugged it into a model where shoppers can use the power of the crowd in new and innovative ways.

Aggregators

While e-commerce often promises low prices and the latest products, sometimes finding the best price can be difficult and/or time consuming.

Moreover, with the constant churn of prices and deals on the internet, even the most intrepid of shoppers can't keep track of every deal as it appears, every new song as it is produced or every new hotel that introduces a new package. For all of this, there is the 'aggregator'. The greatest advantage of aggregator sites is the ability to search dozens of sites within a particular category all at the same time and compiling that information into one easy to interact site so that customers don't need to go hunting through various pages to source the best price or product. These sites are like the know-it-all aunty within your building who knows everything you need to know before making that important purchase.

What originally began as a model used by e-commerce sites offering airline tickets has now been adopted across industry sectors. In India itself, there is [Saavn.com](#), which is an aggregator of music that one can download, [thisyathat.com](#) for buying books

online and [jungle.com](#) for finding product reviews from online & offline retailers. There is also the popular site [Trip Advisor](#) that is used globally to aggregate hotel reviews and special packages so that customers can review the information and then proceed to book directly through the site.

The growth and belief in aggregators is both fascinating and dangerous. Do these sites really work or are they a lazy person's way to assimilate information before going and buying it from the place they were going to anyways? That question remains to be answered. In the meantime, here are some other aggregators for you to check out

News: [Indychai.com](#)

Insurance: [Policywala.com](#)

Loans: [Bankbazaar.com](#)

Blogs: [Blogadda.com](#)

Social: [msnNow](#) (aggregates trending topics from all your social sites)



Facebook commerce

Having an e-commerce site of social networking site, Facebook is still a largely uncharted business model but one that is quickly gaining in popularity. Facebook's gravitational pull of 750 million users has been enough to hold digital marketers spellbound and there are many brands today that undertake interactive marketing campaigns to engage their users. But is selling on Facebook really practical? Doesn't the average Facebook user have better things to do? It seems not, as more and more of these "F-commerce" stores keep opening up.

Facebook stores come in all shapes and sizes. While some are basically no more than glorified banner ads linking to product pages on external sites there are other fully-fledged stores that handle transaction within the Facebook environment. Do 'likes' and 'shares' of such stores actually turn into sales? It seems that as with any marketing strategy, this too takes time. Like in real life, these stores need to be set up right, should be nurtured and promoted via word of mouth as well as Facebook Ads and should continuously post content to engage their users so that they keep coming back. Here, repeat customers is more important than ever as the average Facebook customer will come to a store 3 – 4 times prior to buying anything as this is still a relatively new business concept. Social commerce it seems is the future of e-commerce as it allows online retailers to rapidly expand their market potential. Moreover, your fans and customers are able to easily spread the word about our store and it is easily located as compared to some stores that get lost in the abyss of the web if they do not have the appropriate SEO etc.

To check out the Facebook store concept, start by looking at the following stores:

- The Breast Cancer Site
- First Crush Apparels
- Fashionandyou.com



The single brand crossover

This is another popular model used mainly by established individual retail brands to not only create awareness about the brand and product but also drive sales. With this model, brands are able to expand their brick store into a click store, thereby, reaching out to a wider audience than what may have been possible with solely the physical store.

In this day and age there are a multitude of stores that have adopted this model ranging from airlines that sell tickets for their flights, artists that sell their own music, authors that sell their own books, physical grocery stores that can now take orders online, pizza outlets that urge you to order through their site – there is a store for just about anything you can think of. There are also luxury stores that are adopting this concept in reverse. Luxury e-commerce jewelry stores have in some cases created experience lounges so that their customers are able to touch and feel the jewelry before going back online and purchasing it. Here, having a brick store has enabled them to add credibility to their e-commerce site and reduced the perceived risk of shopping high-value luxury items online.

The bricks and clicks model is more easily adopted by a traditional retailer than for a start-up company as the control of costs and logistics required for the model to succeed. Harvard Business Review states that the key factor for a bricks and clicks model to be successful, “will, to a large extent, be determined by a company’s ability to manage the trade-offs between separation and integration of their retail and online businesses.

When e-commerce was first born, analysts argued that their success would render traditional retail stores obsolete. Instead, the bricks and clicks model has enabled such businesses to thrive even further and create a stronger brand identity.



Models of the future

The above is by far not an exhaustive list of the e-commerce business

models that are in practice today. A new model is born practically every few weeks as businesses learn what works best for them within their particular sector. Some of the models that are at the cusp of making it big in India are:


Personalization: A variety of sites are coming up that enable you to personalize anything that you may decide to purchase online. You can custom-build your computer with DELL or Apple, get a t-shirt that has your design on it or get custom pieces of furniture and interior décor. There are also sites that enable users to convert their memories into something meaningful like a personalized calendar, a coffee table book with your travel memoirs, or even a book of your family's best recipes.



Flash Sell or Invite Only: A concept where a product or service goes on sale online at a specific time for a limited period and sometimes even in limited series. The majority of flash concepts are still limited to fashion such as 99labels in India or Vente-Privée in France, but can be easily expanded across sectors.

Shopping through Games: While this model has not picked up steam in India yet, Fantasy Shopper was first launched in the UK in October 2011. A social shopping game, Fantasy Shoppers gives users fantasy money to browse, style and purchase from over 300 real stores. Players unlock major shopping destinations, complete challenges to create a 'Fashionista' reputation all the while earning real discount codes and vouchers for participating brands.

As can be seen, there are myriad models that can be adopted by e-commerce ventures. In India today, the vast majority of these continue to be within the megamall and marketplace space and there is some level of catching up to do within the other more unique models.

Consumers today expect the online experience to not just match but exceed the offline experience. This means that to succeed, businesses need to continue offering great products and services that are of value to the customer, offer great customer service and keep innovating continuously so that they always remain relevant to the customer. 





HOW SECURE IS YOUR ONLINE TRANSACTION?

For you must know how safe your money is while navigating the maze of electronic commerce

There's still something unreal about online transactions. We've all had those moments, even if a long time ago, that we'd frown upon the idea that we could manipulate our wallets with our computers. Humans have always had underlying trust issues. Couple that with our money induced drools, and you have a system whose early adopters must be credited with being some of the bravest (and from

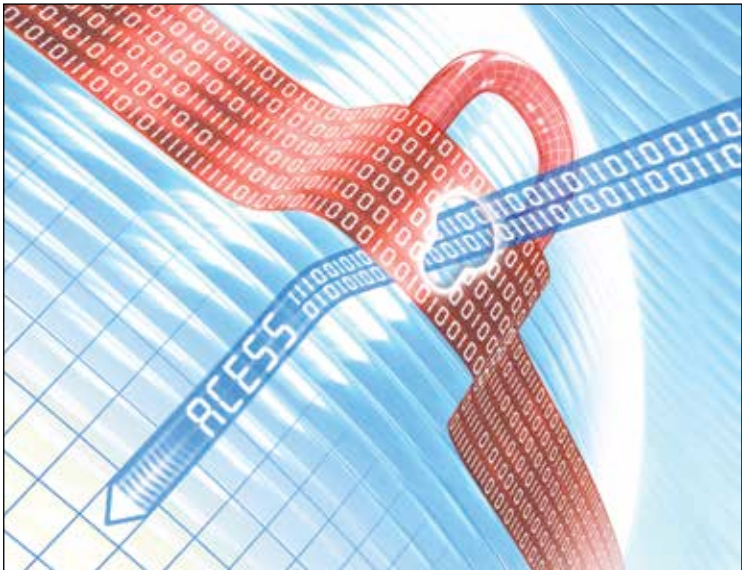
our guess, richest) men and women of the time. Still, it was done, and today we can see the effects – online transactions the world over have grown to some-crazy-number-that-we'd-rather-not-commit-to-print times a trillion dollars – you get the idea. Yes, Trillion – the one with a 'T'. You might have contributed to it yourself a fair number of times. And you probably do it with the confidence that comes with having done something multiple times. Yet there might be lingering doubts as to how exactly does the darn thing go about. Because it's not common knowledge, we expect that most of you would not be aware of the fine nuances of the working of digital transaction. We're not happy to know that there is something that our readers do not know – that is something that just doesn't sit well with us.

Here, we've taken it upon ourselves to throw enough information at you, in the hope that you understand the underlying process at work in any given digital transaction.

First things first, basically we're banking on encryption here. So you must know what encryption is. Do not fret if you don't know about it yet – read on...

Encryption

This is the core process of the entire 'secure service' that we are offered online. Encryption is the process of transforming the given data sequence,



which is probably meaningful, and convert it into something that holds no possible meaning whatsoever, by the use of an encoding algorithm. The key to the uniqueness of the process (so as to ensure that every attack is isolated, and fallacies of one nod do not affect another), is funnily enough, called the ‘key’. It is the parameter without which the strongest of decryption algorithms, cannot decipher the data into its original, meaningful state. Unless, of course, they are run for an unrealistic number of times, or on an unrealistic number of machines, or both.

Some of you might have heard about hashing, though a lot might have not. In the interest of the forthcoming context, it would be good if we could introduce that here too.

Hashing

Mistaking hashing for an encryption technique is one of the most basic mistakes that people seem to make. What hashing is is basically a mapping of large chunks of data into tables that contain references to those chunks, thereby containing a virtual representation of all of the data that was initially provided. It, in no way, is related to any matter of encryption, even though there is abundant use of a ‘key’ here. Again – it bears no relation to the encryption key.

md5	7e0f0cc9351b24982a259cd995d4a18	mailing	010140	2009-11-11 10:05:31
md5	849f0eac1f926721070b0bf6d73ac73a9	mailing	010142	2009-11-11 10:05:30
md5	0b50b5bd11a0a08a0d07aa1d9333bd443a	mailing	011118	2009-11-11 10:06:39
md5	70c8acbd2312460f0a81fde205fbd7c6e	mailing	012608	2009-11-11 10:02:09
md5	c321f98bd94bd3ad4a3d37ac288185	preprocessing.F	012714	2009-11-11 09:02:13
md5	c8f63831aff130k4c8a52e62b327384f	preprocessing.F	014629	2009-11-11 09:59:04
md5	a79c87bd78c3c8a37932306aac97837f	trackload	014641	2009-11-11 09:01:01
md5	a7961c94d22777a39939a4a54b41c00e	preprocessing.F	015718	2009-11-11 09:00:59
md5	2a7316360a0a933a8a31230b1523a4957	preprocessing.F	015726	2009-11-11 09:00:41
md5	a533a372334023a95dc277c3c638235bd	preprocessing.F	015827	2009-11-11 09:00:18
md5	d11ad0a73c95253343f4821b3b4740ba1	trackload	015828	2009-11-11 09:00:01
md5	d922a0da07ac93632ac219f7172819	preprocessing.F	016208	2009-11-11 09:01:03
md5	5c12493a0d1280303399922334fd30c	preprocessing.F	016122	2009-11-11 09:02:05
md5	777a0f88271a07928df0a6a8a18279a	trackload	016312	2009-11-11 09:00:29
md5	85d95a2a213b6d954bd9234940a2749	preprocess	01632	2009-11-11 09:00:29
md5	346a2c72794b54ac27f0b69a7d2a40f	preprocessing.F	016536	2009-11-11 09:02:11
md5	0aa13b0d95954ba0b69422246a6d7933	trackload	016619	2009-11-11 09:02:34
md5	5ac181974936140278722a0a81819f	trackload	016633	2009-11-11 09:02:31

Now, you might have heard about the encryption being considered as weak, these days. Believe us, we’ve met “hackers” who think it’s a piece of cake to break the general encryption algorithms. To put such claims into some perspective, we’d take the liberty of putting up some tech folklore here.

There are times when you come across people claiming that encryption algorithms that are commonly used can be breached. We’ve long considered it a classic giveaway for shallow tech-hipsters. While it is true that some of

the most ancient algorithms have their loopholes, any generalization here is basically a waste on the energy that was spent making that allegation. There are some rather credible schools of thought that their 'weak' algorithms were made deliberately, so as to 'pass through all of the international export laws and establish a global base for a new protocol – 802.11'. Nope, even we don't know how that makes sense. Never mind. So the legend says that if one were to attempt breaking such an encryption by the use of brute force technique (because no other technique holds any proof of its optimality), it would turn out to be a very, very difficult task. Simply fulfilling the memory requirements of such an attack would need a sizable number of terabytes of storage, coupled with a few thousand nodes to supply the resources. Incidentally, the record for the largest RC5 (Rivet Cipher 5) code broken is 64-bits, and that was about 10 years ago! A 128-bit code is much, much stronger than a 64-bit code that we just talked about – so much so the difficulty in cracking them is of the order of a few billion times over the 64-bit code.

Obviously, over time (as in, a few hundred years), the capacities of cracking systems will improve, and they might be able to shave off a number or two from those requirements, but by that time, it would probably not matter that you bought that plasma screen TV online, last diwali. So you can do all of that safe in the knowledge that by the time your information is breached, it would have been long useless. And here we're only talking 128-bit cracking!

There's data out there that would still need to be safeguarded after a few hundred years (government data, or corporate records spring to mind). For those, there's always 256-bit encryptions. Just to give you a perspective of the kind of power that would need to be cracked open, 2^{256} is a lot more than the number of atoms – in the Universe!

So we now know two things here:

First, that encryption techniques are pretty awesome, and would take some beating. Some beating, indeed.

Secondly, and very importantly (for those who are/ hope to be in a technical field) -

“Hashing is not encryption”.

Words to live by.

Now let us shake some ground that we've laid out so confidently for you – encryption can, theoretically, be broken. And very easily, at that. All it would take is an implementation of something known as a quasi meltoromotoratron. Okay, not that, but just as sci-fi: quantum computer.

How a quantum computer would beat the living hell out of every encryption algorithm in the world

The science of the process of data encryption is known as cryptography. It is among the hot fields of research among scholars and corporates alike, as it pretty much has been. Among the reasons is how a downright simple method (to our awesome cognitive senses) is so freakishly hard for a computer to understand.

As we know, 128 or 256 bit is considered sufficient in view of today's threats. The reasons for this were just examined by us. But recently, there have come into existence theoretical methods that threaten to hold current encryptions by the scruff of the



neck, potentially packing havoc for all the 'belief' that online transactions have garnered after years of rather faithful service. Now, let us give you a basic idea of how exactly encryption works. The main principle of working here is the exponentially difficult nature of some problems in computer science. A common example is the factoring problem – where a number needs to be divided into its prime factors. While it may seem easy for you to do, but then, as we'd told you some time back, you are probably one of the foremost supercomputers in existence. For the run-of-the-mill, everyday hackers, we don't expect them to go anywhere beyond mainframes. And for systems of such limited power, the problem of factoring is notoriously difficult. So difficult, in fact, that they call it one of the 'hard' problems in computer science (no seriously, that is the word – hard problems). And with that, the difficulty in solving increases exponentially with every new bit (which is why we talked about 2256 when talking about 256-bit encryptions). With every new bit, the difficulty increases by a factor of 2.

But all of this can potentially change, if we can somehow pull a quantum computer out of the bag. They are revolutionary devices, which would pretty much change the fact of computing as we know it. The exact and detailed explanation for this is really, really difficult to cough up in this tiny space

(we might do it in a dedicated FastTrack someday!), but here's what you need to know. While everyday computers work on 0s and 1s, a quantum computer works on 0s, 1s, and a mixture of 0 and 1. And that is why it is difficult for people to wrap their heads around the idea – not to mention scientists, who've yet to create anything that can call itself a quantum computer without a smirk. But, if a manifestation does see the light of day, here's what it promises to establish – the vast majority of the problems that computer science thinks are hard, because of the exponential nature of problems, can theoretically be converted into classical, polynomial sets. So instead of 2^{256} , we get 2^{256} . And we can confidently vouch for the fact that it is much, much less than the number of atoms in the Universe. Which is why it would take anything between 10-20 seconds for one instance of such a computer to bring the entire cryptography system to its knees, safety and security online would be a lie.

Hold your horses there, soldier! You don't need to march to the bank to withdraw your hard-earned cash just yet. There are no quantum computers in existence, as of yet. At least none that we know of (though you never know with CIA). In fact, the furthest that people have been about it, is barely past the start line. So you probably have nothing to worry about. For now, that is. If you ever hear of a quantum computer being built, you know what you need to do.

Now that the groundwork for generic model of online transactions has been established, we should get you started on acquainting yourself with some of the real world implementations for this.

Starting off, we think you've probably heard of...

PayPal

PayPal is, as it has been for some time now, the world's favourite "middleman" in online payment market (yeah, it's a market – a huge market, so to speak). It bases its working model on trust. And to be honest, having been around for so long, all the trust that it gets is fairly commanded. PayPal works by pairing an e-mail id with an account information. So these are



the two requirements that are to be fulfilled to set up your PayPal account – straightforward as they come. The system is essentially one where the two parties will never need to know each other's financial details, with the entire transactions taking place between the two mail ids. So far, so good. But how safe is it? Considering how easy all of this seems, it's easy to assume that PayPal lacks safety measures. It is, in fact, one of the most secure payment systems in the world. In addition to multiple anti-fraud teams and super secure checks, payment insurances and a few more assurances, we can safely say that if you just have to trust someone/something, you might as well trust PayPal with it. Some praise, that.

And you're most definitely aware of...

MasterCard

It forms a layer of interfacing between the accounts of the payer and payee. Essentially, that is about it. When you purchase goods or services from somebody (in person or online), and provide your details, the merchant's bank 'buys' the transaction from him at a discounted price – only after your details have been authenticated by the server, that is. Then, this bank (Bank A) calls upon MasterCard's interfacing service to ask for funds from the consumer's bank, say Bank B. Bank B then proceeds to check the request, and pays MasterCard on Bank A's behalf. MasterCard then pays off Bank A, minus the settlement fee. Everybody's happy. Except, maybe the banks – because surcharge is only good if it's paid to you.



Visa

Everything is precisely the same as above here – just Visa in place of MasterCard.

And here's India's domestic answer to that...



RuPay

RuPay was started by National Payments Corporation of India as a domestic alternative to the MasterCard/Visa duopoly. Being an in-house initiative, it undercuts both of those on processing and transaction charges, which basi-

cally means it's cheaper for you. Also, with the start of this initiative, the Reserve Bank of India has slashed the charges levied on sellers for facilitating debit card payments.



SBI, Bank of Baroda, Union Bank of India and Bank of India have already joined the bandwagon, and more are expected to follow. In a few years, a 40% decrease in market service charges is expected. With the project still in a very early stage (released earlier this year), expect more development on this front. And with RBI in the game, expect reliability. Keep in mind, though that the system is geared towards making the debit card rates better, with the makers themselves admitting to it.

Another popular method of digital transaction is the (in)famous credit/debit card system. Here's how things go down in that world...

Credit cards

These are one of the most sinister inventions of the modern era. They are basically borrowing tools that will buy stuff for you on the promise that you will pay them back later. But one thing that they do pretty well,



is securing the card from completely external influences. At the heart of this is the magnetic strip of the card.

There are three tracks on the magstripe. Each track is about one-tenth of an inch wide. The ISO/IEC standard 7811, which is used by banks, specifies:

Track one is 210 bits per inch (bpi), and holds 79 6-bit plus parity bit read-only characters.

Track two is 75 bpi, and holds 40 4-bit plus parity bit characters.

Track three is 210 bpi, and holds 107 4-bit plus parity bit characters

When the acquirer company gets the credit-card authentication request, it checks the transaction for validity and the record on the magstripe for:

- Merchant ID

- Valid card number

- Expiration date

- Credit-card limit

- Card usage

After the authentication, the PIN is needed to begin the transaction. It might be coded onto the card, or stored remotely by the bank's server.

So yeah, with the multi-step checking in place, the most probable reason you will lose money is if you lose your card – to a crook, or your wife, or children. No kidding. Identity thefts are really the overwhelming majority of all credit card frauds. And because you're feeding off borrowed money, there's theoretically no limit to the exact amount you can lose. Or spend. Which will eventually be bad either way. And knowing the amazing spectacle of speed that is Indian judiciary, we suggest you watch your back.

Debit cards

They are sort of the yin to credit cards' yang. Everything works almost exactly the same way, its just that here the provider is just a gateway, and all the money that you use is essentially what you own. Therefore, you are not relying on your future income to bail you out of the stuff that you're getting into now. The technical details being essentially same, the chances of fraud are also the same as credit cards. The plus-point



here is that because the spending is limited by the amount of money that you currently have in your connected account is the limiter on the order of the fraud that can be committed by misuse of the card. Still, with the huge perks on offer, debit cards being the lesser of all of the previous evils, we give it a more than fair shot here in India.

Now, there are another couple of methods that are all the rage.

Internet banking

Internet banking is basically passing the control of your account over to you. Every relevant detail of your money is laid bare in front of you. You can do most of whatever you do at a bank at this terminal, except maybe chatting up the receptionist. Your bank provides you with a login user id,

and a bunch of passwords, and you need to always use those for your service, simple as that. In terms of safety, there's usually an impressive portfolio present. So how is it that we come across so many cases of fraud in this space? Taking a deep look into such cases usually reveals one common culprit – humans. There's sizable human error

in most of such accounts. Be it ignorance to phishing, or insufficient secrecy about your details, whatever else it might be, the core idea is that you yourself provide all that a crook needs to rob you of your last penny. And this cannot possibly be blamed on anything internet banking does, and not something it can probably rectify. Anyone who thinks he/she can handle it properly, should have an eye to look out for fraud – phishing, pharming, keylogging or otherwise. Otherwise, in terms of interceptability, secure HTTP is pretty solid.



Mobile banking

The logical progression to internet banking, it was never not coming. And now it's here, proper. What started out as simple pulling of relevant data from your account (balance/transaction info/whatever), has slowly become a pretty impressive suite of stuff that you can accomplish. Right from shopping to paying bills and shopping, mobile banking promises to



bring a whole new level of portability to your money. And they've implemented a host of security layers too. You need two level authentications to go through with any transactions (usually your password, along with the

PIN). If the amount to be serviced is larger than a cut-off a third password is sent to your registered number for a one-time authentication.

Ultimately, it is again the human error of judgement that is the biggest potential loophole in the service, because catching all of the other information on the fly is probably too big an ask from today's technology.

In the context of digital payments, you might've also heard of...

NFC


Now here is another sci-fi addition to your digital payment arsenal. Gone are the days of "tap to pay your bills" meaning learning to tap-dance professionally. Now you can literally pay your bills with a tap of your phone. Near Field Communication is super-short range radio based transmission. It was built to allow communication up to a few centimetres, but the implementation in mobiles (obviously) worked towards optimizing upon the 'tapping' novelty. Smart move, too – we all know how Infrared was perceived. Now this might be a bubble, as we've witnessed with so many new technologies (not necessarily of this particular field of service). But NFC sure does show a lot of promise. Visa seems to have



got on the bandwagon early, with the release of its payWave user interface SDK, for participation in the potential release of NFC enabled applications. payWave is an attempt to make all transactions contactless, be it your everyday card, phone, or some other device that turns up someday – because there is no contact, the carrier might not matter anymore in the future. That is the vision, anyway. Not to be left behind, MasterCard has gone on the release of its PayPass interface, that would solve a similar purpose.

As for the security of the system, it is surprisingly low. As with the regular credit/debit cards, there is only an identifier in the form of the RFID chip (similar to the magnetic strip on the regular cards). The difficulty with NFC is that here, since you do not hand over your card/phone at any time,

any sufficiently close receiver (maybe that heavily jacketed guy who just bumped into you) can instruct your item to, in the worst case, surrender all control. It is difficult to reverse engineer such systems to extract value from this, but it is very possible. It is still a relatively new medium of handling money. Give it time, and we hope that things should change.

There it is, then. When you started with this chapter of the FastTrack, you probably did not know much about online transactions. Together we worked hard and tackled loads of jargon, so that you understand everything that went down behind that “your payment is being processed, please do not refresh your browser” message. You are in the loop. You’re in the brotherhood of knowledge. To up the cliché value of the piece, we’d point out that knowledge is power. And liberating as it might be, we all know that with great power comes great responsibility (<3 Spiderman). 



THE DOs AND DON'Ts OF E-COMMERCE

The world of online transactions can be a minefield unless you know what you're doing out there. Here we list some widely accepted best practices

The invention of the internet has brought about countless changes in human life. One of the most important changes among them is the freedom to shop online. Ecommerce, the new mode of shopping, has revolutionized the way to shop. It offers a plethora of options as well as the desired convenience for which people have been craving since a long time. Despite all the positives of ecommerce, there's a

dark side to it which calls for proper attention. At times, you may get puzzled while buying online. News of people being duped while shopping online isn't rare to hear about. In reality, the world of ecommerce is a bit complex. Familiarity to this complicated world will help ensure that you're miles away from turning into a statistic.

The universe of online shopping is ever-evolving. New websites crop up and old ones update themselves to provide better services to customers. The hundreds of online shops spoil you for choice. However, there will be times when after buying the product, you find it unsuitable or unable to meet the standard of quality you were expecting. What do you do in such a situation? And then there's the most confounding aspect of online shopping – the method of payment. You can pay through cash on delivery, net banking, cheque or via third-party payment gateways such as CCAvenue or PayPal. Then there are sites such as Junglee which inconveniently redirect you to third-party sellers' sites – each with its own accepted modes of payment, terms of agreement and sign-up procedures – to make purchases.

While leveraging online shopping facilities, you may be a victim of hacking, phishing, online fraud, identity theft and other attacks. A good number of people are targeted every day. They unknowingly disclose bank account and credit card information which is later used to steal money from their accounts. But don't let all this dissuade you. You can enjoy secure shopping by just following certain guidelines and taking into consideration some advice.

So then, what should you and shouldn't you do while making purchases online? Below is a list of do's and don'ts of ecommerce to make your purchase secure and hassle free.



Image source: vetransilic.com

The Dos

1. **Understand your needs:** You should have a clear idea about your needs and wants of a product before landing on any website. This will help you choose the right website for your preferred product. It would also save

your precious time with the additional benefit of a number of options to choose from, making your purchase decision easy.

2. **Go through the reviews:** Before buying a product online, never forget to read the reviews of that product. It comes as an advantage in deciphering the product from the point of view of experts. Specific sites such as www.tbinkdigit.com publish reviews on a number of products. Sometimes you can also rely on the reviews posted by users on these shopping sites. Also ask friends to share their experience of the product.
3. **Look for discounts:** One of the best features of online shopping is that you always manage to get some percentage of discounts on products. In addition to cashing in on the discounts touted at the website, check out discount coupon sites like www.desidime.com/ and www.couponsforindia.com/ for further price slashes. Comparing prices of the product on different sites before making a final buying decision is also a good alternative to get a cheaper price.
4. **Read the return and exchange policy of the website:** As an informed and conscious customer, you should be aware of the return and exchange policy of the website from which you're buying. This will come handy in case an incorrect or substandard product is delivered to you. Generally, the return and exchange policy of websites can be found on the seller's webpage, but in case you don't find it there, either email or call the company's customer care service and ask them for the same.
5. **Choose the payment method that suits you:** While making payments, always try to be extra cautious. Online shopping websites offer a number of payment options and you have the freedom to choose the one that suits you best. You can make the payment at the time of buying a product or after getting its delivery. But not all websites offer the convenience of cash on delivery.
6. **Check websites for security:** Before disclosing any personal information or making the payment, always remember to check the security of the website. Look at the URL and make sure you find "[https](https://)" in the beginning of the web address. You can also look at the status bar of the browser for a 'lock icon'. Clicking on this icon will display the security details of the website.
7. **Check out your bank account after payment:** You're advised to check your bank balance the moment you clear the payment. Doing this confirms that you paid the mentioned amount without any extra charges deducted from your account.

8. Use the services of PaisaPay and PayPal:

PaisaPay: PaisaPay and PayPal are eBay companies which allow you to make online payments without revealing any information about your bank account or credit card. PaisaPay is an eBay India service and cannot be used on other websites, but you can use PayPal for

other transactions. PayPal withdraws money from your account to pay a seller. In this process, companies only receive their money and never get hold of any of your bank account information.



Image source: accesspaymentsystems.com

9. **Keep your computer updated:** An updated computer keeps you protected from online frauds. All you need to do is to install anti-spyware, anti-virus, pop-up blocker and network attack blocker programs. Keeping all these programs updated will ensure that your personal information and passwords are kept away from the reach of hackers and crackers.

10. **Check for ISIS accreditation:** ISIS (Internet Shopping Is Safe) is a regulatory board which emphasizes on proper and honest dealing. It verifies companies after a thorough review of their services. Most



companies are now ISIS accredited. To check a website for accreditation, simply click on the ISIS logo which will lead you to a new page displaying the company's accreditation.

The don'ts

1. **Don't believe if it's unbelievable:** Sometimes you come across deals which are too good to be true. Instead of blindly going after them, try to suss out reasons for relying on such deals. These deals may be advertised to distract your attention from the legitimate deals and be an effort to deceive you.
2. **Don't shop in haste:** This is an important aspect. Take some free time out for shopping – you'll need it to read reviews, shortlist worthy products and find the best price you can get for it. So make it a rule: no shopping when you're in a hurry.
3. **Don't shop from insecure websites:** Always look for reputed websites. Never ignore the importance of reliability. Always shop from websites



on which you can count on. Also, don't get swayed away by the links you see on social networks and via mails. These websites may put your personal information at stake. Therefore you must search for genuine and real websites to shop from. You can also check out the reliability graph of websites just by the click of a mouse.

4. **Don't forget to check the product at the time**

of delivery: When your order is delivered to you, examine it thoroughly. Is it the same product that you had ordered? Scrutinize it for defects. If you find any kind of misappropriation or defect in the product, contact the concerned customer service representatives of the company and ask for a replacement.


5. **Don't ignore the website's privacy and security policy:** Reputed and legitimate companies on the web will always have their privacy and security policies in place. These are updated on a regular basis. Never ignore this section. Take some time out to read the policy of the website. After reading them you can be rest assured about the legitimacy of the site as well as about your purchase. It helps you figure out whether the site is concerned about your security and wants to facilitate hassle-free shopping.
6. **Don't use unauthorized apps:** The number of mobile internet users is increasing with each passing day. A chunk of people also use tablets to access the internet. Developers have been quick to jump on the mobility wagon and create apps for convenient shopping from your mobile devices. However, whenever you download these apps, make sure that the apps are authorized ones and the companies distributing them are reliable.
7. **Don't respond to fake calls and emails:** You may already be privy to email and calls asking you to update your personal information and bank details on sites. At first blush, these may seem genuine, but in reality they're not. So never respond to such email and calls. You can either ignore them or complain about them to the concerned authority.
8. **Don't use public computers:** Don't bother using public computers for purchasing online and making payments. Using friends' computers or the public computers at cyber cafes are akin to deliberately inviting malicious elements to invade your privacy. Always remember that the public computers can have hacking tools installed via malware which can easily

take away your valuable passwords and other important financial details. When you use your own (updated) computer, you ensure that nothing fraudulent of this kind happens to you.



Image source: timbuktuchronicles.blogspot.com

9. **Never use common and easy passwords:** People who tend to use common and easy-to-remember passwords are sitting ducks for hackers. The same is the case if you use one password for almost all the sites you have an account on. Always use complicated and long passwords. Also make sure that you have different passwords for different sites. By following this advice, you reduce the risk of having your account hacked and can protect yourself better.
10. **Don't pay by going out of the system:** Sometimes you may be asked to leave the usual shopping cart system during online payment in order to complete the process. This, however, should raise red flags because you're not supposed to jump out of the system to make the payment. Don't let yourself be fooled; stick to the usual system of payment.

This list of the do's and don'ts has been prepared to make you aware of the intricacies of online shopping and the precautions you need to take to avoid being scammed. Ecommerce is relatively new in India so follow the above mentioned guidelines which picking up products online. It will not only protect you from online frauds but also make your shopping experience safe and secure. 



A DEFINITIVE GUIDE TO BUYING STUFF FROM ABROAD

Frustrated because you don't have access to the latest gadgets? It's time you discovered the world of global online shopping. Here's our guide to smarter online shopping from international e-stores...

With the opening of markets and relaxation of the duty structure, the novelty of getting gadgets from abroad for cheap has seen some decline, but there's still the temptation to get hold of the latest tech before its official launch in India. Fortunately, you no longer need to depend on the grey market to be a proud owner of the latest gizmos!

International shopping is now at your fingertips. It can be quite effective and even economical if done correctly. So let us look at how online shopping has enabled placement of international orders for cool gadgets right from the comfort of your homes sans the headache of figuring out the custom duties and hassles of managing the shipment.

A quick reality check

Firstly, any international transaction requires a credit card. Before you start planning your purchase, ensure you have a valid international credit card (preferably a VISA card) with enough credit limit. Secondly, all that comfort of getting products delivered to your doorstep does come at a cost. You'll pay for the custom duties on the products, the taxes applicable in the country that the purchase is made from, plus the shipping charges and a slight overhead for the convenience. Therefore, it's not as simple as converting the international pricing into Indian rupees. The overhead cost above the international pricing ranges roughly between 25-35 per cent of the quoted price of the product on the web site. Another thing is the delivery time, which can take anywhere between 7 to 15 days. Ready to shop? Let us look at the options...

eBay Global Easy Buy

eBay Global Easy Buy is our favourite of the lot, and is strongly recommended for anyone venturing into online international shopping. Global





Easy Buy gives you the final prices in Indian rupees that include all costs such as the custom duties, shipping, handling and other service charges that the carriers charge to get the product to your door step. Thus, what you see is what you finally pay. Its search engine is pretty straightforward as well; with results showing the final prices. Another advantage of purchasing on eBay is the robust buyer protection mechanism that minimizes the chances of any kind of fraud or lapse in the committed transaction. You don't need to have a separate account for shopping at eBay Global Easy Buy; your eBay India account login can be used to make purchases.

Another advantage with Global Easy Buy is the ability to pay via interest-free EMIs, as long as you're paying via a credit card that is accepted. You can choose the three-month EMI option if a one time payment doesn't fit your budget. On the downside, your options are not as wide as they would be if you were buying from amazon.com or newegg.com; your options are limited to the Global Easy Buy listings. These listings differ from the ones found on the international ebay.com. While most of the global electronics sellers are listed; the availability of the products under Global Easy Buy are primarily dependent and decided upon by the international carriers who act as middlemen for shipping the products to your doorstep after clearing all dues.

Finally, it is recommended that you check the seller ratings on eBay before making the purchase. Buying from a seller with more than 10,000 ratings with an average customer satisfaction score of 99% and above is generally regarded as a safe bet.

International sites that ship to India

There are quite a few international sites that ship products directly to India.

The key to shopping from these sites is to keep the transaction value as low as possible. If the value of the imported product goes above Rs 2000, which is the legal limit for duty free imports, the shipment is very likely to be scrutinized for import duty check. While you might be willing to pay the duty levied on the product, the duty assessment process can cause an unnecessary delay. International sites should be generally used to import low-cost accessories and components that are generally not available in India or are horribly over-priced in the local market. While some international sites do offer warranty, the expense related to shipping the product back to the vendor and the possible delays in resolution can get frustrating. So, it is recommended that you stick to accessories like cases, cables and some of the unique products that are only available internationally. A portable charging bank for iPod/iPad is a good example of a unique product that sells for a mere \$8 on www.dealextreme.com

<http://www.dealextreme.com/p/universal-portable-2600mah-power-bank-for-ipad-iphone-ipod-mp3-mp4-more-black-150528>

Examples of sites that ship to India

www.dealextreme.com

<http://www.abacus24-7.com/>

Ordering through shipping companies

The concept of being able to buy imported products without any hassles gives rise to enough opportunities for business and hence, apart from online stores, you have shipping companies offering the same services via a special account. Aramex, a shipping and logistics service provider offers a “Shop and Ship” account – its e-tail delivery service offers Middle Eastern and Indian consumers the convenience of online shopping from the US, the UK and Europe at competitive rates. Shoppers can access the Aramex service by logging on to ShopandShip.com and signing up for a lifetime membership account which costs \$45 (₹ 2,230). Once the consumer places an order, Aramex receives the ordered goods at its facilities from the e-tailer, and then ships and delivers them right to the doorstep of the shopper. Here again, the service provider adds customs duties and shipping service charges over and above the final product price that you pay with your credit card.

Unlike eBay Global Easy Buy, this service doesn't have any robust buyer protection mechanism; you have to trust the service provider to get you

your stuff. You can choose to pay cash on delivery for all the overheads, thus protecting a part of your total expense. There are similar services from companies like ICC World, in whose case, you have to open a free account, mail the company the products you'd like to purchase from any international site, following which it mails you back with the final quotes for delivering the product to your door step. Once you find the quote agreeable, simply purchase the product and use the shipping address provided by them, which is usually their warehousing station from where they manage the delivery mechanism right up to your doorstep.

Choose wisely

The overall deal through the above mentioned options may not necessarily be cheaper. In fact, with mainstream products like phones and cameras from most popular brands, you would most likely pay more or almost similar to what it would cost you in India. So, how can you take advantage of these services? The trick lies in spotting good deals, and while there's no single formula for spotting deals, here are some general guidelines that can work in your favour.

Accessories are a good starting point.

Cases for phones, tablets

and similar lower priced products are generally cheaper from these stores. The accessories market in countries like the US is a lot more matured, you have tonnes of options at every price point and the quality of these products is gener-

ally better than what we get in India. We ordered an iPad Case from eBay Global Easy Buy for `1,685 shipped to our doorstep. This product carried a retail price of \$75 (`3,716) in the US. Some of the popular Indian e-tailers were selling the same OtterBox Defender iPad Case for `4,500-perfect example of the kind of sweet deals that can be grabbed on Global Easy Buy. With accessories, the usual worries with regard to warranties and damage in transit don't haunt you while placing the order; it's a relatively safe bet, especially when you're not risking huge sums of money.

International online stores

<http://pages.ebay.in/globaleasybuy/>

<http://shopyourworld.com/>

<http://www.20north.com/>

<http://iccworld.com/>

<http://www.shopandship.com/>



Sony Cyber-shot DSC-HX5V 10.2 MP CMOS 10x Wide-Angle Zoom Optical Steady Shot Image Stabilization and 3.0 Inch LCD
by [Sanyo](#)

[Warranty](#) (242 customer reviews) | [Like](#) (211)

List Price: ~~Rs 22,500.00~~
Price: **Rs 12,500.00** & this item ships for **FREE** with Super Saver Shipping. Deal You Save: **Rs 11,400.00 (48%)**

In Stock.
Ships from and sold by Amazon.com. Gift wrap available.

Want it delivered Tuesday, September 27? Order it in the next 26 hours and 34 minutes, and checkout [here](#)

[5 new](#) from ~~Rs 13,500.00~~ [33 used](#) from ~~Rs 10,800.00~~ [3 refurbished](#) from ~~Rs 12,200.00~~

Amazon.com is a part of the Sony Retailer Network.

Read the product descriptions carefully

With stricter and more streamlined buyer protection laws, online stores in the US are bound to disclose all details pertinent to the product. However, with long descriptions and the excitement of having spotted a great deal, buyers tend to ignore the details. For example, a product that is categorised as “new” can have another tag that says, “Open Box”. These products are not used but they aren’t exactly brand new, un-touched items. They might have been used for demo purposes or returned the very next day by the customer. So, such products can be up for sale at a much lower price but you ought to be clear about what you’re buying. In case of products like laptops, there might be multiple configurations for the same model listed across the store, for instance, the Asus Zenbook ultrabook has several configurations listed on the eBay Global Easy Buy site, and unless you read the description in detail, you might end up buying the ₹58,000 config as the best deal, not realising that it has a regular mechanical hard drive instead



GET IT ANYWHERE
SHOP AND SHIP
COM

aramex

Shop and Ship is all about buying it online over there and getting it over here [more](#)



SHOP AND SHIP with **Visa**
MasterCard
FOR BETTER ONLINE BUYING

HOW DOES SHOP AND SHIP WORK?



ANSWERS, ENJOY THEM BY THE BOXFULS



GET IT ANYWHERE
SHOP AND SHIP
COM

\$1

The screenshot shows the 20North India website. At the top, there's a navigation bar with the 20North India logo, a product search bar, and links for 'All Departments', 'SEARCH', 'Track a Custom Order', 'Help', 'Chat Online', and a phone number '1 800 87924805'. Below this is a horizontal menu with categories: Sports & Outdoor, Electronics & Computers, Home, Garden & Tools, Beauty & Personal Care, Books, Movies & Music, School & Office Supplies, Games, Toys & Hobbies, Apparel, Shoes & Mattress, Car Accessories, and Featured Catalogs. The main banner features a 'NAUTICA' watch advertisement with several watches displayed. Below the banner, there's a 'Featured Products' section with five items: a Fujio R400 128GB HD Prodigy (Rs. 18295), a Rouserocet (Rs. 4484), a Polix 16000 8320x64 Prodigy (Rs. 8210), a Benqes Premium 2015s (2.5 x 15) (Rs. 17557), and an Internet Touch Mouse (Rs. 8257).

of the 128GB SSD in all other configs, which are priced just ₹5,000 higher than the cheapest one.

Shipping can make or break a deal

Ordering heavy stuff can really hike up your budget and the added tension of physical damage to the goods always lingers in the back of your mind. Shipping rates are also pretty tricky, once a product crosses 5 pounds (2.27kgs); the shipping rates almost doubles. So, it's not just the duties that can sour the deal. Shipping charges can be a deal breaker too, so it's advisable to watch the weight.

Look for stuff that's impossible to get here

Camera lens adapters, iPad car kits, privacy filters for laptops, speaker stands for hi-fi speakers and similar products are hard to find in the Indian market and are priced exorbitantly due to a limited market appeal. Such objects are good candidates for importing through online sellers. Another possible scenario for buyers with deep pockets is buying products that are far away from launch in India or at times never make it to the Indian market.


What about warranty?

Warranty is important, and that's where the entire "shop at international stores from the comfort of your home" can be a real bummer. Almost 100 per

Custom duties for electronic goods imported into India and exemption criterion*

Laptop/Computers /Tablets.....	14.712 %
DVD/ CDS (movie)	26.849 %
Other than Movie CD/DVD	14.712 %
Mobiles.....	1.030 %
Digital / Video Cameras	26.849 %
Digital Still Image Camera.....	14.712 %
Sports equipment	14.712 %
Entertainment, Sports equipment, Video games	26.849 %
Electronics and Car parts.....	26.849 %
Computer Printers	14.712 %
Wrist Watches	26.849 %
iPod/ portable media players	26.849 %
DVD Players.....	26.849 %
Web cameras.....	26.849 %
Hard Disk (Internal)	4.000 %
Hard Disk (External).....	14.712 %
Processor.....	4.000 %
Other computer peripherals.....	14.712 %
Gaming Consoles	27.000 %
Television	27.000 %

*You may import goods up to the value of ₹10,000 duty-free provided they're sent as gifts to you. This value doesn't include the shipping charges paid for getting that item into India. Since these exemptions are primarily based on the assumption of not making you pay for the gifts that you receive, the sender and the receiver of the gift can't be the same party and should have unique residential addresses to avoid any sort of discrepancy.

cent of the products you purchase online come with warranty, but these are valid only in the country from which they were purchased. So forget about getting local warranty. You have the seller to claim warranty for the product and apart from the time frame of about 15-20 days, the cost of shipping must be borne by the buyer. A strong case for sticking to accessories and products that are least affected by warranty issues. 



HOW TO SELL STUFF ONLINE

We tell you how you can use the convenience of e-commerce to get rid of your own stuff, and also cash in on you're the e-commerce boom by setting up your own e-commerce web site

No matter who you are or what you do, one thing is almost certain – if you want to sell something these days, you'd first want to look online. Depending on what you want to sell, there are quite a number of solutions available. For example, if you wanted to sell your old watch, you would probably put it up for sale on a classifieds ads website such as Olx or Quikr. If you want to sell numerous brand new products, you

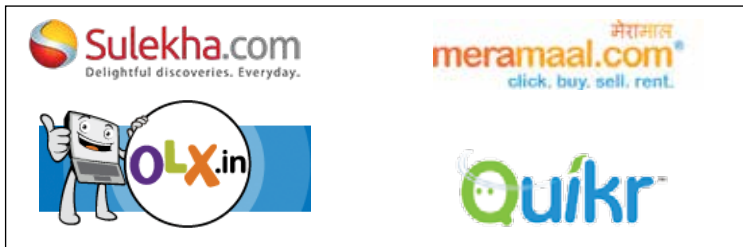
might want to set up your own e-commerce website! We're sure by this point that your mind is teeming with questions. This chapter hopes to answer them.

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Selling second-hand products

Let's go back a couple of years. What came to your mind when you wanted to sell stuff online? Well, thanks to the movie Transformers, even those who didn't know, found out that eBay.com is a place where you can sell even your grandpa's specs! eBay was *the* place to advertise your old merchandise. Today, the online retailer has plenty of company with a number of web sites helping you do that. Search the internet, look for the ads being displayed on various pages across the internet and you'd realise that you're nowhere close to being deficient of services that enable you to sell used products online.

We won't discuss selling second-hand products at length because it's pretty straightforward and simple. Just head on to one of the classifieds websites which help you to do it. While some sites don't require registration before you put up an ad, others do. Sooner or later you'll start receiving emails and phone calls from people who want to buy the product you're



selling; and you can sell almost anything – a used hard disk, a bike, a car, your services as a web designer or tutor, anything!

Some of the popular classifieds web sites are: www.meramaal.com, craigslist.co.in, www.clickindia.com, olx.in, classifieds.sulekha.com, quikr.com,

olx.in and localads.rediff.com. There are many others that cater to the second-hand goods category, which you'll eventually discover.

However, there are a few simple points to be kept in mind. These websites will try and record your identity for sure (such as by your email address, Facebook ID or mobile number). Make sure that you don't sell faulty products. You would not only be putting your online seller reputation at stake, but also inconvenience the buyer and give the website a bad name. Honesty is the best policy because your activities are being recorded.

Selling first-hand goods – creating your own online store

Thanks to all the positive news surrounding Flipkart, online retail is catching up, especially with the famous “cash on delivery” option. In case you skipped your school biology classes, here's a reminder – we evolved from monkeys, so it's only natural instinct wanting to do what the other guy is doing (read: mimicking his actions). This instinct is not something which you can easily overpower. Seeing how online stores are succeeding makes one want a piece of the action, with very few exceptions. That though is nowhere close to being easy, so we're here to simplify it for you. Read on.

Setting up

In real world, when you want to set up a store, you can do two things:

1. Build a room yourself. Then install the furniture and put the goods inside, put up a banner on the store, advertise and wait for the customers.
2. Get a pre-built room on rent or purchase one. Modify it if needed, change the banner and advertise. Then wait for customers.

Selling online is not that different. Here's a similar example and here also, you've got two options:

1. Build an ecommerce website from scratch using your superb programming skills, enter the product data and price, design the website well and get Google to advertise it on the internet for you. Then wait for the traffic to pour in.
2. Get a popular ecommerce framework which is pre-built, modify it to your needs and then advertise and wait for customers.

Don't forget that you also have to track your orders, maintain a warehouse, register a company and find someone providing a doorstep delivery service!

Although the above example of e-commerce maps well enough to the real world, there are points to consider well before you set sail in any of

those directions. Let's start with the build-from-scratch model:

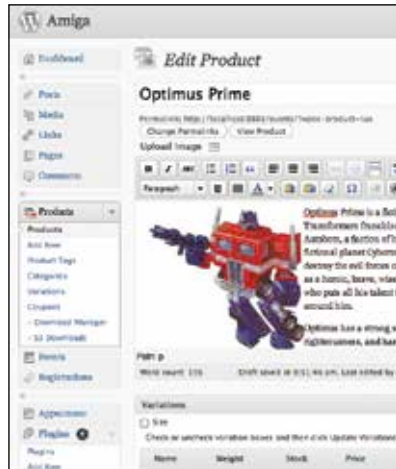
When building from scratch, you're going to face one huge problem upfront – designing the website of your dreams. Things are not easy by any means here. Not only should you be having an ample amount of understanding of the design process and underlying technologies but you should also have someone by your side who can make the site look good for you (oh, that is of course unless you're ready to take on the daunting task yourself as well). It's also important to note that you're dealing with money

here. Any security loopholes and your complete business can be swallowed overnight by hackers who broke into your website. So the programming part is not going to be easy. On the brighter side, you'd have all the features you want, the way you want them, and the site would look as beautiful as you envisioned.

If you're not a programmer but still want to have your ecommerce site built from scratch, you can approach a web designing company and tell them what features you want, but be ready to burn a huge hole in your pocket. The good thing here is that when you give a project to a company, you can set a deadline given you have enough cash to spare.

There's another way: you can hire a freelance developer to get the job done but then you wouldn't be in a position to ask for everything, as in this case there's one single person doing your job. So, the amount of time taken to develop the site will be higher vis-à-vis hiring a company. The upside in this case is that you'd save on the cost of building the site since a freelancer would be less expensive.

No matter which method you choose to build your website from scratch, you'll always have the freedom to alter the website's design, both – in terms of features and looks. You can add and remove few elements. You can do what you want to with the site.



An e-commerce plug-in for Wordpress is a good solution to start with your own e-commerce website easily.

However, when utilizing a pre-built ecommerce solution, you won't have as much freedom in terms of design. There are many free and paid software which are available for this purpose. You'll be able to find such software in all categories and dimensions – free or paid, open source or closed source, classifieds or first-hand sale systems (or both). If you're already using a popular CMS such as Drupal or WordPress, then you can add plug-ins for the purpose! There are multiple solutions for setting up ecommerce sites online for various needs.

The problem here, however, is that you'll be restricted to the design of the system you choose. Yes, you can modify elements to suit your needs but there would be a limit to how much you can customize. To modify any pre-built system to suit your needs which are significantly different from what the design of that software allows, the work needed to be done rises exponentially – sometimes more than what's needed to design a system from scratch. Hence, although getting a pre-built solution makes it easy, it won't be flexible enough for the modifications you may need.

Some popular prebuilt e-commerce systems:

osCommerce – <http://www.oscommerce.com/>

ZenCart – <http://www.zen-cart.com/>

PrestaShop – <http://www.prestashop.com/>

Magento – <http://www.magentocommerce.com/>

Abante Cart – <http://www.abantecart.com/>

Spree Commerce – <http://spreecommerce.com/>

Drupal Commerce Plug-in for Drupal – <http://drupal.org/project/commerce>

WP e-commerce Plug-in for Wordpress – <http://wordpress.org/extend/plugins/wp-e-commerce/>

After building the website, you need to host it. Assess your primary needs and keep these three things in mind when looking for a host:

1. Technologies supported: Technology such as PHP 5.3, PostgreSQL/MySQL/Oracle, Python etc)
2. Bandwidth and storage provided: It can be minimum in the beginning but other plans with bigger limits and better values should be present.
3. Pricing and support: Pricing is usually competitive but good support from the host is important in case you want enhancements or are having technical troubles.

There's a big enough list to choose from when it comes to hosting. Some good hosts are:

experttrio.com, bigrock.in, sutlibomb.com, siteground.com, godaddy.com and bluehost.com.

Managing payments

You can ask the customer to pay in basically two ways:

Cash on delivery: It's easy for you and for the customer but the problem is that the person who delivers the product has your money. This money would change hands many times before it reaches you and takes time. This can take its toll in the beginning when you would be short on cash!

Online payment: This is done via “payment gateways”. There are multiple providers available. If you're a programmer, you can have a look at the steps needed on their API documentation or contact them. Also, most banks (such as SBI, Citibank, HDFC, ICICI etc.) have their own payment gateways. You can create an account for your company and ask them for the service. Most payment gateways provide security by giving away SSL in their plans but that might be optional. You might want to have a look at various banks' websites which provide payment gateways. They provide both, financial as well as technical information on how to get it done. You could also opt for other payment gateway solutions such as CCAvenue. No matter which one you choose, you would have to utilize the API provided by them to use their services. You should also focus on the features provided by the gateway e.g. if you're getting a payment gateway service which doesn't support debit cards but supports Paypal, then it doesn't make sense from an Indian buyer's perspective.

Security

In some cases, you might need extra SSL certificates depending on the requirements of the chosen payment gateway as well as your own site design. If you do need more, then your web-host would be happy to sell you one. If you want a better SSL solution from a company such as VeriSign (or similar), then you'll need to follow extra steps and it would cost you more. Our advice: if you have to buy a SSL solution, ask your host first.



osCommerce is a well-known pre-built solution for creating your own e-commerce website

Finally, you're going to need a warehouse which you'll have to manage. You would probably require an inventory and order tracking system as well.

Pick an option

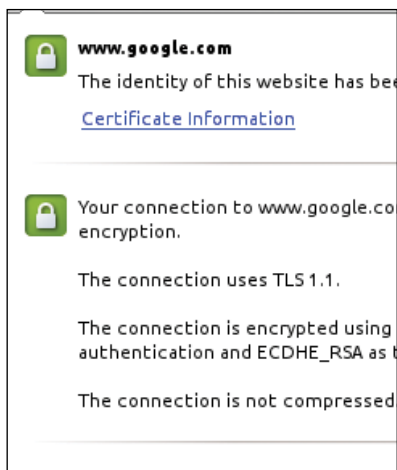
If you're convinced that you want to build an e-commerce site for yourself and you think that you understand the world of e-commerce, then sites such as MartJack and Buildabazaar can help. Both of these are presented to you as hosted solutions which assist you in kicking off your very own e-commerce site in almost no time! Both BaB and MartJack allow you to receive online payments, track orders, maintain inventory and so on! While MartJack doesn't offer a trial where you can just sign up and proceed to create your store, Buildabazaar does. Moreover, MartJack is targeted towards retailers while Buildabazaar can be used by anyone wanting his own e-commerce store.

When it comes to Buildabazaar (let's call it BaB from now on), operation is quite simple. First thing you do is choose a plan that suits your needs and if you're confident enough start off in paid mode. You can also watch a demo to know how it works. Once you're satisfied with the demo, you can opt for any of the paid plans to continue building your store. Building a new store is very easy. The fact that large stores such as crossword.in run on BaB's platform is proof enough. You can have your own domain name if you wish, or as a sub-domain such as mystore.buildabazaar.com

Once you sign up, you get taken to your admin control panel where you can control the



You have various payment gateways to choose from
(A single image made of images in the Payment Gateways folder)



SSL is important for online transaction. Chrome showing a secure page's info from Google.com

various aspects of your webstore. One of your first jobs is taking care of the template (or look and feel). You can either do this now or get to the option later! On your BaB control panel, you have multiple options:

1. Catalog: This section helps you maintain the product catalog which will appear on your website. You can add a product easily and maintain a SKU (Stock Keeping Unit), Price, Discount and so on. Additionally, you can download and upload the entire catalog in one go! The interesting thing here is that you can even choose products easily from BaB's parent site, InfiBeam's catalog itself and manage what parts of the InfiBeam catalog appear in your own store.

2. Purchases: This section is self-explanatory. It gives you the option to manage purchases and shipments.

3. Content: Here you can create content for your webstore. You can manage the menus and individual pages, create new sections and so on.

4. Customer Service a.k.a CS Panel: This section helps you deal with two things - i)The Contact Us pages on your site and ii)The ability to manage the purchases done by customers from your site. The list of purchases is downloadable in CSV format. This section differs from the Purchases section which shows you the statistics from the purchases perspective while this section shows it from the customer service perspective by listing the type of purchases done by customers and so on.

5. Promotions: Allows you to manage promotions that use promotion codes – either for individual products or entire categories! Besides creating promotions, here you can view the list of purchases done using promo codes.

6. All Reports: As the title says, this facility generates and lets you view any kind of report you want.

7. Accounts: Allows you to maintain the ledger. Also contains the account details of your bank where your income is to be deposited.

8. Configuration: This is where you'd return if you have to change your site's look, behavior and the information it displays. You can edit the business details which include your tax details, location, customer care number and email address. Here's where you'd configure a payment gateway for yourself and manage stores in real world. You can even enable Google Analytics for your store for an in-depth analysis of how users browse your website. Another important option in this area is the product delivery zone management.

Now keep two things in mind - if you're adding a product from the InfiBeam catalog into your own catalog then InfiBeam will take care of the

shipment and handling of the order while you'll receive some commission for the sale. The second point to consider is that BaB doesn't take care of shipments from your store (or should we say 'warehouse') automatically. It acts as the middleman who gets you in contact with the various courier companies operating in the country (you can view a list in the configuration section of your control panel) and help you fix a shipment deal with them. For every purchase done on your store, the system will generate an Order ID. It's the job of the webstore owner to give the product to the courier company and track its progress via the firm and thus update the order code and status!

MartJack is a similar solution for the purpose which helps you create your own online store in easy steps. After logging into the control panel, you have various options which include:

1. Getting Started: Here you can manage the template (look and feel) of your store, enter the store information, define the call for action (using which you, the store manager can allow the customer to ask you for an email reply or a callback), manage your shipping profile (shipping zone and modes) and select a payment gateway among various other functions. Notably, the options provided here are the basic options taken from the other sections.

2. Product Management: Enter product details and pictures or select a product from the given catalog. You can also manage the product categories which you want shown on your site!

3. Design Your Site: This is the option to configure the look of your site and manage its content.

4. App Settings: Here, you can configure the notifications you want to activate for each order received, customer's request for a callback, manage your own domains and maintain the tax profile of your store.

5. Stock Management: Allows you to maintain the information of various prod-




Buildabazaar allows you to select the theme of your webstore from a list

ucts and their stock available. You can enter or edit SKUs and prices delivery options.

6. Order Management: Just as the title says, you can maintain the list of orders you've received as well as manage and track back the states of each order. Interestingly enough, MartJack provides easy shipment options wherein you can select one of the courier services already associated with MartJack.

7. Marketing Promotion: This is similar to BaB's Promotion panel. Here once again you can create a promotional code for individual products and complete product categories. If you had to build a website from scratch this would usually take a lot more effort.

8. My Account: This section allows you to enter and edit details about your own store.

(The author of this chapter is working on his own e-commerce website <http://www.c-integration.com>) 



TOP 50 E-COMMERCE WEBSITES IN INDIA

A comprehensive directory for the
geeky e-shopper

There are literally hundreds of shopping sites out there and it's really difficult to cut through the clutter. There are sites that cater to everyone – the all-encompassing jack-of-all-trades providers and then others that are super niche – selling only flowers or lingerie. We doubt flowers are of much interest to you though. Here we feature a rather comprehensive selection of sites that are relevant to you, our geeky reader. For any site to be featured here it had to meet one criteria - it should sell products that are of interest to our reader. Gadgets, gizmos, electronics, smartphones, tablets et al should form part of it's repertoire. In today's day and age why do you need a directory? Shouldn't Google be able to point you to the best places for the best stuff? Often it does not. Maybe because the SEO (Search Engine Optimisation) of some sites may not be good enough to propel it to the top of relevant search results. In such cases it helps to manually get to the right site for the product category of your choice.

So let's get down to them. They are listed below in no particular order.

1. Flipkart.com

Worth checking out for:

Gadgets, Books, Home Appliances, Computer peripherals

One of the most popular e-commerce websites out there. While its strength in offering books at a discount was its USP at one point of time, it has since diversified into various segments, with electronics and gadgets forming a chunk of it. Flipkart has a vast collection of cellphones, cameras, laptops, games, etc. and they offer most of their products at discounts. We really like their vast collection and their filtering options, as just having categories is not enough. Intelligent filtering options makes searches quick. It also has an online music store Flyte from where you can download music after paying for it. Their payment options include netbanking, debit/credit card, cash cards and even Cash On Delivery.

2. Infibeam.com

Worth checking out for: Gadgets, Books, Home Appliances, Computer peripherals, Lifestyle products

Another popular e-commerce site which looks somewhat similar to Flipkart in terms of layout. It offers various lifestyle categories such as books and magazines, watches, etc. The sections that are of interest to us include

Camera, Computer peripherals and Electronics. There is a wide collection of peripherals. One thing we liked about this site is that it features a deal on each of its category pages. Pricing is at par with competitors and you also get the option to pay in 0 per cent monthly installments.

3. Ebay.in

Worth checking out for: Everything under the sun

One of the big names internationally in the e-commerce segment, Ebay.in is the Indian arm of Ebay.com. This is the kind of marketplace where you will find any kind of product thanks to their tie-ups with resellers. You can find anything from an 19th century currency notes to 55-inch 3D LED TVs to slightly older models of Mercedes and Audi! Thanks to eBay's global presence, it has a feature called the Global Easy Buy which allows you to buy products selling in international markets in your local currency. They also have an India-specific payment gateway called PaisaPay which protects the consumer from product damages while it is in transit. They also have a section which

4. Shopping.indiatimes.com

Worth checking out for: Everything

Belonging to the Times Group, Indiatimes shopping has been quite an old player in the e-commerce segment. It has a wonderful segmentation of its main product categories. It features five of the best deals on its homepage across categories. The discounts aren't that great here when you compare it with the likes of Flipkart and Infibeam. Computer peripherals did not have as many categories as we would generally like. Camera section has only 13 DSLRs. All-in-all, this is not the site to go to for your electronic items purchase, as you will find better deals elsewhere. However, for non-electronic items, this site have quite a variety.

5. Shopping.rediff.com

Worth checking out for: Mobile and Computer accessories

We are all familiar with Rediff, one of the oldest and most popular site in India. This is an e-commerce arm of the same. The homepage shows the 10 best deals and is populated with various categories with a couple of best deals from that category. There isn't much segmentation within the various categories. The layout is quite clean. It has a lot of accessory items under Computer Peripherals and Mobile accessories.

6. Futurebazaar.com

Worth checking out for: Home related appliances

This is the e-commerce arm of Future Group, who are famous for their offline stores such as Big Bazaar, eZone, Pantaloons among other things. Thanks to this background, Futurebazaar has a wide range of main categories, with detailed sub-categories. barring the home relates section, we found fairly little in terms of variety on other categories. For instance the magazine section did not have much variety. It has a section called Clearance, which has products selling at heavy discounts as it pertains to stock clearance. We found a quirky slap and go MP3 player under the Music players section. You can also place a requisition for bulk orders and expect some discount on the item.

7. Homeshop18.com

Worth checking out for: Electronic items, Computer peripherals and Home appliances.

Probably one of the only sites which has its own TV channel. That speaks volumes about the reach of this site. The layout is clean and it has neatly divided categories. It has 7 of the best deals featured on the home page. The computers and electronics section is well-stocked with the latest and some very economical products. We even saw a Kindle Fire selling on the site for around 13 grands. Each category on its page also has featured deals which is something unique from other sites that only have best deals featured on their home page and none when it comes to individual categories.

8. Yebhi.com

Worth checking out for: Fashion and lifestyle products

On first glance, the design aesthetic of the homepage of this site seems to have taken some inspiration from Pinterest. This becomes obvious when you enter the respective categories, with product pictures splashed across the screen. As you scroll, you will see items dynamically arranging themselves. Agreed, it offers something different from other sites in terms of the look. Sure it has the electronics and mobile phone category, but on the whole the site seems biased in favour of fashion and lifestyle products as the former has limited categories as compared to the latter.

9. Univercell.in

Worth checking out for: Mobile phones

As the name implies, this site is only concerned with mobile devices including

smartphones, dumbphones, tablets and everything in between. They also stock accessories for your mobile devices. We quite liked the Filter section, and the cellphone models get quickly updated the moment you click on any filter be it brand, form-factor, OS, CPU and other features. Speeds up your searches. The tablet collection was lacking as there are very few budget tablets on the site. While it has an accessory section, it is not heavily populated, as compared to other competitors.

10. Techshop.in/store/main.php

Worth checking out for: Computer peripherals.

Although this site may not look as inviting as the ones we have seen above, do not go by the looks. For a Digit reader, this site makes complete sense as it has a detailed computer peripherals section. So under computer hardware, you will have all the components necessary to build your rig, the Networking section has categories for wired and wireless routers along with NAS devices and so on. It also has a Mobile phone section but there aren't many options to choose from specially when you consider the competition. Same goes for digital cameras.

11. Smartshoppers.in

Worth checking out for: All sorts of electronics

The website has a large range of electronics from Digital Cameras to Gaming hardware and everything in between. The navigation and categorisation is well defined and the search function works well, giving you suggestions for keywords as you type. The website focuses heavily on camera equipment and is a worthy destination if you're in the market for carry-cases, tripods, and filters. The "sale of the week" section offers up some great deals on gadgets such as routers. We even spotted a Bamboo Pen & Touch input device. Overall the prices are fairly competitive.

12. Lynx-india.com

Worth checking out for: Niche electronics and PC peripherals

The site looks a little dated. Ok fine it looks like you've been transported to the '90s but let that take away from the fact that you can get your hands on some seriously niche hardware out here. The website seems to have of late shifted focus to some hardcore geek gear such as microcontroller programming kits and ESR meters. But if you manage to wrap your head around the website's navigation, you'll find some great deals on niche

products like case fans, gaming accessories or even highend in-ears, etc. This is especially more so because the site seems to be undergoing some sort of liquidation or distress sale.

13. Mediahome.in

Worth checking out for: PC peripherals

If you're building a PC for yourself, there are a handful of websites that you must check out here in India. This is necessary because once you decide on your config, ordering all components from one source may not be the best solution. Instead you'll probably find a good rate for say your motherboard and CPU on one site, while ordering the GPU and RAM from another site is cheaper. Media home stocks a range of components and we've often seen good deals on AMD GPUs here. At the time of going to print the site was down for maintenance, hopefully it should be back up by the time you're reading this. If not, more options follow in this list...

14. Themobilestore.in

Worth checking out for: Mobile Phones (duh!) and phone accessories

This is the online avatar of the popular retail chain with the same name. The prices weren't as competitive as we would've hoped, but a few of the featured products did come bundled with accessories making them worth a second look. If you're not happy with the prices too, this is a good place to know your choices. The site does have a good range of products including tablets. The navigation too can help you drill down to the phone of your choice by filters such as price, operating system, etc.

15. Timtara.com

Worth checking out for: All sorts of electronics

This website has all sorts of electronics. From ceiling fans to cellphones to headphones to cameras to fridges. But in trying to provide range the site seems to be spreading itself thin trying to cover more things but not specialise in any. It gets a mention in our top 50 list on account of the deals it features on its homepage. Every now and then you do come across something that you can't resist.

16. Primeabgb.com

Worth checking out for: PC Components

Primeabgb is a popular PC components and peripherals shop located at

Mumbai's IT Mecca, Lamington Road. What started off from there soon grew to its online version. The website offers every category of PC components at decent prices. They deliver all over India but offer a COD (cash on delivery) option for Mumbai. But the most special thing about the website is the Cool Deal of the day. In fact until recently the website used to redirect to the deal page first before letting the user go to the home page. The CPU + Mobo deals are also decent every now and then. A site definitely worth bookmarking if you frequently upgrade your PC.

17. Deltapage.com

Worth checking out for: PC Components

For the hardcore PC geek, Deltapage used to be the one stop destination to find the fair prices of almost any PC component. Initially it used to be just a long html page with tables listing components and prices. One had to hit [CTRL] + [F] and look for model numbers. Convenient? Most definitely. Now the site sells stuff and the prices are still decent. You may not always find the exact model that you're looking for on sale, but hey the range is good enough.

18. Bigadda.com

Worth checking out for: Electronics

Like Seventymm (mentioned somewhere ahead) this website too had a change of heart somewhere down the line. From its early roots in social networking it moved on to join the e-commerce bandwagon. While there's good variety but prices are on the higher side, there's even lifestyle as a category. The deal section is worth mentioning. There will be a deal on offer for which you have to pay a token amount (say Rs. 9) to get in on it. Once you buy into it, you could be a "lucky" winner who gets it for that amount. What about those unlucky hundreds (thousands)? You get a gift coupon for that amount, in this case Rs. 9.

19. Bitfang.com

Worth checking out for: PC Components

In terms of look and feel, bitfang is right up there with theITdepot.com. The site has almost everything you could need when it comes to building your own PC. The deals of the day aren't that great always (not worth bookmarking for) but the Laptop Of The Week section needs your attention. Every now and then some deal or the other comes out that is a steal.

20. **Pristinenote.com**

Worth checking out for: Audio Gear, Headphones.

DACs, high end studio monitoring headphones, tube amps, and sound cards! If great audio gear is what you crave this website is your destination. You have equipment from brands such as AKG, Audio Technica, Brainwavz, JVC, Fiio and more.

21. **Theitwares.com**

Worth checking out for: Computer components

Located in Lamington road, Mumbai, this shop is a good spot to look for PC components and the prices are competitive. Some hard to find products can be got here. Overall, a decent place to buy from. Be warned, we have heard some complaints regarding prices revisions after an order is placed. In the shops defence, the owner does claim that he's never forced anyone to take the order after a revision.

22. **Adexmart.com**

Worth checking out for: Mobile phones and other odds and ends

Not a very notable site. They do offer free shipping and cash-on-delivery so that is a plus, other than that, the items listed here, except for mobile phones and Canon cameras, are very few compared to other rivals. Prices are nothing too great and are strictly decent when compared to others.

23. **Zoomin.com**

Worth checking out for: Cameras

An excellent place to visit if you're out camera shopping. The prices of the lenses and cameras themselves are a bit high and you will find better deals elsewhere, but they do have a nice selection of camera accessories, including Manfrotto tripods. You can also order prints online and get photobooks, etc., printed and delivered. Overall, a decent site to explore, you might just find that elusive accessory you were looking for.

24. **Ratetag.com**

Worth checking out for: Headphones and electronic toys

A website more dedicated towards the home and family than geeks like us, it does offer a decent assortment of headphones and earphones. The scale model cars will appeal to some and they do have a nice selection of remote-control gadgets you can check out.

25. Edigiworld.com

Worth checking out for: Home appliances and mobile phones

established by videocon, Digit world is a chain of retail stores all over India. The website sports a decent assortment of products, mostly (surprise surprise!) from Videocon, but they do have a good assortment of mobile phones as well. The prices are all on the higher side though.

26. Buytheprice.com

Worth checking out for: Mobiles, cameras, home appliances

The site design is very basic, but elegant. It mostly sells mobile phones and cameras and the prices are very competitive. An interesting feature of the site is the buying guides that they offer. While not very detailed, the buying guides can serve as a n00b's guide to understanding most of the (useless?) jargon associated with most electronic products.

27. Computerwarehousepricelist.com

Worth checking out for: Computer components, pen drives, laptop accessories

The site leaves much to be desired in terms of aesthetics, but for us geeks, such frivolities don't matter. The important thing is that the prices are right. Almost everything on the site is reasonably priced and it's worth checking out if you're on the lookout for some PC components. One of the nice things we like about this site, seen on a couple of other sites as well, is an excel file containing updated prices of everything that they sell. Very convenient if you're trying to decide on a PC configuration. We wish it was better maintained, but we're quite happy with the prices.

28. Cromaretail.com

Worth checking out for: Just about anything, excluding computer components.

The Croma line of retail stores are quite popular here and they offer almost everything consumer electronic products that you would want. Their online avatar, cromaretail.com, gives you that very same variety, just from the comfort of your own home. They include free shipping and even have EMI schemes for those who need them and they also throw in a 15 day returns policy. The prices are a little high here, especially when compared to other services such as eBay and flipkart, but you do get the comfort of having an actual physical store and people that can help you sort out your

grievances. As an added bonus, the site includes some excellent deals now and then.

29. Ezoneonline.in

Worth checking out for: Just about anything, excluding computer components.

This store is similar to Croma, a chain of retail stores with a website. They also sell just about any electronic product under the sun, except PC components of course. Prices are as expected, a bit on the higher side but similar to Chroma. The site is quite well laid out so finding stuff you want isn't too big a deal. Interestingly, they have all the absolute latest products listed out, even

if they're not currently available in India, and will send you a notification (if you want it) when that product is in stock. Flipkart and a few other sites do the same things so it isn't something new. Where this site falls short (compared to Chroma for example) is in their return policy and free shipping availability on only a select few products.

30. Gadgets.in

Worth checking out for: An unusual, but exhaustive assortment of gadgets. This site is home to some of the most diverse gadgets we've ever seen, only rivalled by eBay in terms of sheer variety. They sell everything from the usual cameras, iPads, etc. to precision engineering equipment, spy gadgets, signal jammers, telescopes, weird gift ideas and many many more. The prices are reasonable for some products, over-priced for others and as such, you'll need to cross check the prices of some of the items to be sure you're getting a good deal. A very good site if you're looking for some unusual equipment or obscure, but essential gadget.

Where will you get the best price?

Not strictly e-commerce sites but going to these sites will make your shopping experience easier. How? Simple. Go to one of these destinations and get to compare specs and best of all the sites will list you best prices from a multitude of other e-commerce sites. You get to know who is offering the cheapest rate in one click.

- ▶ <http://compareindia.in.com/>
- ▶ <http://www.shopmania.in/>
- ▶ <http://naaptol.com>
- ▶ <http://www.compareraja.com/>
- ▶ <http://www.consumermate.com/>
- ▶ <http://www.junglee.com/>

31. Gadgetsguru.com

Worth checking out for: Almost every gadget you could possibly want.

A site that actually does seem to list every gadget under the sun. they've got almost every gadget you can think of, including a "cheap" Segway i2 transporter for "only" Rs.400,000! The prices are what you would expect to in any decent retail store and don't expect mind-boggling deals here. The sheer variety of products available might actually save you a lot of scrounging around online.

32. Letshop.in

Worth checking out for: Mobiles, cameras, computers, consumer electronics, watches

Based out of Delhi, letshop.in is the online initiative of Call Connect India and has just started out in the e-commerce business. Currently, products are offered only under a few categories with more to come in the near future. There is a daily deal feature and the site is also listed on Jungle.com What was confusing is the Customer care hotline which they've mentioned in a top band on the web site to be available for 8 hours while on the bottom of the site, the very same number is quoted to be available 24x7.

33. Next.co.in

Worth checking out for: Consumer Electronics, Personal care, Stationery, Floristry

Next Electronics, pushes into the e-retail space with its online portal. The orange logo with the power cord in it is enough to convince customers that the experience of shopping from here would be guaranteed to be the same as stepping into one of their stores. The range of products is as vast as in the normal retail stores. Most elements expected of an e-retail store like live customer support and shipment tracking are made available on the homepage itself.

34. Rightshopping.in

Worth checking out for: Toys, sporting goods, jewellery, kitchenware, clothing, health care, faith & belief

This site stood out from the others on account of its niche offerings. We are talking about faith & belief goods. Not once before this did we come across a website that sells "Nimbu Mirchi" or an "Evil-eye horseshoe". This must be where Madam Esmeralda good her goods. On the other

hand, sporting goods are also available along with imitation jewellery. The health care section too covers a wide variety of goods. There is also another website by the same company that deals with floristry and gifts sourced through rightshopping.in. What's more? They do international delivery too!

35. **Shopbychoice.com**

Worth checking out for: Books, Gifts & Flowers, Mobiles, Consumer electronics, computers and peripherals, home appliances

Shop by choice has an excellent selection of books across a wide range of topics which are priced way better than its competitors. We looked up a few expensive books and compared them across a few websites and found that shopbychoice.com offered the same for a lot less. Now it may not be consistent throughout the entire range but the ones we checked out sure seemed lucrative enough. The floristry section was pretty impressive as well.

36. **Royalimages.in**

Worth checking out for: Computers and peripherals, consumer electronics, toys, mobiles, personal care

A relatively new entrant in the scene, royalimages.in deals with a wider range of product categories. The portal is well designed with ease of use in mind, shopping here should be a nice experience. Offers wide variety of payment options with the option of EMI provided for most banks. This happens to be one of the few websites that sells toys.

37. **SMCinternational.in**

Worth checking out for: PC hardware, PC peripherals, Server components

Delhi based SMC INTERNATIONAL is not only an online store but also happens to be the distributor for a wide range of products based out of Nehru Place. So you know when you shop from here you are bound to get a good deal. Products across all popular brands be it mainstream or niche gaming are available here. It maintains a good presence on Indian forums with exclusive deals in place. Forum members swear by its customer service and it handles your product RMA process for you.

38. Smartshoppers.in

Worth checking out for: Cameras, camcorders, portable storage, consumer electronics

At the very first glance it was pretty evident that this website focussed on cameras and other photographic equipment. Leica cameras were up for sale. The range of lenses available was pretty “wide”, no pun intended. As soon as you visit the website, the deal of the day is right there in the header, so it’s pretty convenient for those guys who have formed a daily routine around hunting for good deals.

39. Storeji.com

Worth checking out for: Car accessories, Nutrition, fragrances

MACHINES AND MUSCLES!! If you are into accessorising the hell out of your vehicle then storeji.com sure has a wide selection of goodies for you starting from car mufflers, audio equipment, tyre inflators to religious idols, mops and shampoo. In case you end up putting together one heck of a fire hazard of a vehicle then they also offer mini fire extinguishers for sale. Then they also offer nutritional supplements which are otherwise hard to find in your town. The store was recently revamped and now discount coupons are put up occasionally which only adds to sweeten the deal.

40. Theelectro.com

Worth checking out for: Mobile accessories, head phones, cameras, software.

The website seems well developed however, most of the product categories are yet to be populated. The website seems to be 2 years old and barely made it into our top 50, at this point we really can’t tell if it is on the way up or heading six-feet under. The computer section only has a few anti-virus SKUs and Adobe Photoshop CS6. The camera section seems to have some pretty good offerings with some models priced about Rs.500 cheaper than most websites so you might wanna check this site out for some sweet deals.

41. Machpowertools.com

Worth checking out for: Tools of all kinds

Best described as a one stop destination for tools of all sorts. Whether you’re a hobbyist or if power-tools are pretty much your bread and butter, this site is for you. Corded, cordless, feature packed goodness and more will be delivered

to your doorstep free of cost(provided the order is above Rs.500). Then again, once you go through the website we don't think your order would be below 500, you simply gotta have them all. It has almost all tools one needs, from those little multi-tool kits to the 1450 Watt demolition hammer. Even hard to find things like the Dremel tool is available, in fact most of its variants are.

42. Theitdepot.com

Worth checking out for: PC hardware

If you're on a PC hardware or accessories buying quest, this is one website you just cannot miss. The IT Depot is a popular name often recommended among tech forums online, and it has quite a fan following. Why the website is a top destination for PC hardware is evident by what it has to offer: a computer hardware section that virtually sells every building block of your computer, from the cabinet right down to the processor, you'll find everything at this online store. The site has a nice clean layout and easy to navigate, and has brand-specific stores as well.

43. Vijaysales.com

Worth checking out for: Entertainment, Electronic appliances

Vijay Sales is a household name for any Mumbai resident, with customers swearing by its deals and quality of service for several decades now. The website tries to keep the good show going online, trying to replicate the chain's on-ground success. Apart from an extensive and well-stocked entertainment section, the website does a very good job of announcing special deals and offers through a large scrolling tile which is hard to miss. And the site has a simple, accessible interface. If you don't have a Vijay Sales store near you, definitely give their website a try for deals during this Diwali.

44. Zapstore.com

Worth checking out for: Guaranteed deals, innovative concept

This is an interesting e-commerce website, unlike most others you'll come across in this list or on the Web. Every time you shop at ZAPstore, it lets you buy a product at discounted rates, and from the looks of it, always. Every single time. Great, isn't it? It's like you're playing Russian roulette every time you shop, but there's some method to all that madness (make sure you read the website's instructions carefully). Unfortunately, ZAPstore doesn't have too many categories of products on offer, focusing only on mobiles, music players, tablets, cameras and accessories. If you're feeling adventurous and

try your hand at an unconventional way of shopping, you must try your hand at ZAPstore.

45. Tradus.com

Worth checking out for: Consumer electronics, IT products

Tradus.in is now Tradus.com, in case you haven't noticed the change or it no longer features among your online shopping destinations. Well, if not the Top 10, it should definitely feature among your Top 20 online shopping list, because Tradus has really flourished into successful shopping portal since its inception back in 2009. Its homepage has plenty of information about what Tradus offers and the overall look and feel is quite nice. The site has an extensive tech-related gadget and products section, and it's among the most popular stuff on the website. Searching for a particular is also very easy, the results displayed in a tiled layout. Pay attention to their daily deal section, they regularly feature tech-related products there.

46. Egully.com

Worth checking out for: Software

A no-frills online shopping website, Egully isn't the most glamorous looking of the bunch listed here. However, spend a little time on the site to find that it does offer some value. Browse through its various categories -- cameras, computers, electronics, mobiles and software -- to look for products you might be interested in. The dedicated deals section on the site is sparse but the deals offered seem attractive enough for you to have this sight on your online shopping horizon. Of all the sections on the site, we'd like to draw your attention to the Software section, which houses a long list of PC security suites from various vendors. These security suites are sold at quite a substantial discount, so take notice.

47. Indiaplaza.com

Worth checking out for: Consumer electronics

Popular for purchasing books online, Indiaplaza has slowly mushroomed into a larger online shopping portal selling a variety of items across different categories. The site's designed has evolved since it first began back in 1999, and its current avatar sports a trendy yet simple skin, with easy-to-navigate sections and categories. We found some deals in its mobile section, handsets selling at a lower price compared to some of the more popular websites for smartphone buying. Among IT products and gadgets, the site has a plethora of products on offer, with a substantial number sporting discounted price. If you're new to online shopping,

feel secure in the knowledge that Indiaplaza's one of the oldest online shopping websites in the country, and it still has a lot left to offer. Over the years, some of us have shopped here on a regular basis and can vouch for its service and legacy.

48. Bigcmobiles.in

Worth checking out for: Mobile phones

This website's similar to Vijay Sales -- Big C started as a network of stores with a strong foothold in the state of Andhra Pradesh, only to proliferate and seek greener pastures online. Well, the website is frugal at best, in terms of quality and depth of smartphones and feature phones on offer. But it has quite a big GSM handsets sections, and a respectable Dual SIM phones home, both of which are well worth a look on your online quest to secure the best possible deal. As you shortlist your preferences, keep an eye on the right-sidebar which has an assortment of radio buttons and checkboxes to finetune your search further. The website also sells smartphone batteries, headphones and other accessories.

49. Seventymm.com

Worth checking out for: Mobile phones, computers

This website started its journey as a movie rental service back in 2007, but it didn't do too well. In its current state, Seventymm has officially shut down its DVD rental business and now only functions as an online shopping website. It has a very tiny section dedicated to technology-related products, but it's well worth a look. Hit the Electronics tag on the left sidebar to enter the shop's gadget section, which focuses heavily on mobile phones and computers. The site does a good job of categorizing and displaying the product list and information, and of course, almost every other product here sports some sort of discount. This should definitely be on your online shopping radar.

50. JJMehta.com/shop/

Worth checking out for: All things related to digital cameras

If you're a serious shutterbug, then you definitely need no introduction to this online website. JJ Mehta's has been a focal point for thousands of camera enthusiasts in India, and its shop is even more popular. From simple point-and-shooters to professional DSLRs, from camera tripods to memory cards, JJ Mehta's has everything to offer to both amateur and veteran photographers. It's a cardinal sin to call yourself a photographer and not have this website on your online camera shopping spree. 



ONLINE CONSUMER PROTECTION

Should something go wrong with
your transaction, where can you find
help? Who hears your complaints?
Find out here

The Indian e-commerce industry has over recent times gained a great deal of popularity, which comes as no surprise owing to its ease of access. But along with this comes a greater need to protect the consumers fuelling the growth of this industry. As a consumer of any e-commerce site, you need to feel as protected and comfortable as you would while shopping at your favorite physical retail shops.

Since the Indian e-commerce industry is still in its infancy, there's cut throat competition amongst various online retailers, all vying for a piece

of the soon-to-be-huge online consumer market. This means that as long as this massive growth phase, or at least the potential for growth, lasts, e-commerce sites would be more than willing to continue offering benefits like huge discounts, cash-on-delivery (CoD), long return periods, and free shipping, even if some of these facilities negatively affect their revenues.

While that is indeed good for consumers, it also means that the industry's inexperience might lead to bad experiences, either before, during or even after the purchase. Because of a number of parties involved in a single transaction (online retailer, actual supplier, payment gateway, credit card company, bank, courier company, buyer), things can go wrong anywhere, which means that you, as a consumer, need to be prepared to tackle such issues effectively.

Below, we list out various scenarios where things can and do go wrong, and offer remedies for each situation:

What can go wrong?

The product you purchased is different from the one that was advertised

Not being able to touch the product or try it on before buying is one of the major drawbacks of online shopping. You need to wait till the product arrives to be able to see and use it.

A physical store gives you the liberty to inspect an item before you buy, whereas a product shipped from an e-commerce site might be defective and you won't even be aware of it until you make the purchase. Another possibility is that the delivered product ends up looking totally different from what was advertised on the website.

In fact, there have been quite a few incidents where customers ended up with a completely different product being delivered to them, bearing absolutely no resemblance to the original product listing.

In such cases getting your order replaced usually results in a huge hassle. Not all consumers have the patience to convince the seller regarding the reason for replacement and wait till their calls are answered or emails responded to.

The product arrives in a damaged condition

Delivery of the product is probably the hardest area to deal with, from both the company and the customer's point of view. There are certain companies that offer refunds for damages, if any, but some amount of caution is advised

to avoid any complications. Before accepting the delivery package and signing the bill, you should examine the package carefully to note any possibility of “concealed damages.” Once the shipment bill is signed without any note of possible concealed damages, you become the legal owner of the delivered product and it becomes difficult to claim a refund if the company does not make any provisions for compensation in case of damage during the shipment.



The product does not arrive within the agreed period of time

Most e-commerce sites put up an estimated shipping time figure on product listings, indicating whether the required item is in stock, and if it is, when the product will ship. Even during the course of the delivery, they tend to keep you updated via SMSes, emails and a package tracking code. Despite all of this, if your product takes unusually long to arrive, get in touch with the company to find out what’s going on, and get an update on the shipping status. If you’re dealing with a reputed, large scale e-commerce site, the chances of you being duped are very slim. In the worst case, the site will allow you to withdraw your order and refund your money.

In case of an online marketplace like eBay, where you deal with third party sellers, eBay acts as a middleman, not passing your payment to the seller unless you explicitly state that you’ve received your requested product.

Unreasonable replacement policies

While convincing the seller to allow the return of a product itself can be tricky, there have also been cases where the company expects the customer to handle the charges for shipping back the defective/damaged product. Sometimes, due to items of low value involved, this cost of shipping turns out to be even higher than the cost of product itself.

“Too good to be true” deals

Intense competition in the online shopping industry also means that a few sites might resort to advertising deals that are “too good to be true”, just to

attract some attention. In certain cases the actual value of the product might be way lower than what's shown in one of these deals. The product could even be defective, or worse, be a cheap knockoff. This is especially true in the case of electronics, where Chinese manufacturers copy the look and feel of a popular, branded device, and sell it with a description that might mislead you into believing that it is genuine.

How to deal

Before you place that order **Read through the policies**

Make sure that that your personal or contact information is not being sold to third parties without your consent, to avoid your inbox overflowing with spam. This generally happens when you're purchasing a massively discounted product, where the site tries to make up on lost revenue by selling your information to third parties. While signing up, make sure that you uncheck the option that signs you up for the company's promotional emailers, unless you're genuinely interested.

Understand the company's returns and replacement policies. Make a careful note of how the damages during shipment of products are handled. Try to look for sites that offer longer return periods and cover the return shipping costs. Some e-commerce sites even handle the return shipping themselves, letting you stay away from the hassles of finding a courier service.



Find out their contact information before placing the order

If something goes wrong after you place the order or even during the course of shipping, you should be able to get in touch with the seller via emails or phone calls. Most sites generally have their contact number and email prominently featured on their homepage. You could also contact the seller through social networking sites like Twitter and Facebook, where their accounts tend to be highly active and responsive. Apart from these media, most sites also have live chat customer support, or an online helpdesk, where you can open issues and track their progress.

Keep a copy of the terms and conditions

Keep a soft copy or a printed version of the company's terms and conditions (ToCs) at the time of placing the order, in case the company decides to alter them later on. You won't need this in most cases, but it's always better to know if the company has an absurd clause buried in its ToCs beforehand, rather than after you click the "Agree" button.

Read through user reviews

User reviews are a great source to determine not just the utility and quality of a product, but also the credibility of an e-commerce site. So be sure to go through these reviews, generally found at the bottom of a product listing, to ensure that along with the product, even your shopping experience on the site is worth every Rupee you're about to spend.

After receiving the order

Call them!

There are many companies that offer excellent return and replacement policies. In most cases a phone call to the selling company is all that is required to secure a replacement, return or refund.

A majority of the websites have clear and customer friendly guidelines for returns. If you're unable to find any such information from the website, you should not hesitate in calling up the company for clarifications.

If calling or sending emails doesn't help you arrive at a reasonable agreement with the seller, you could even register a consumer complaint with the credit card company so that the payment can be withheld until the matter is resolved. If even then your issue isn't resolved, you could seek legal help.

Written evidence

Get written confirmation of any agreements made over phone calls and keep a copy of the order statement. A copy of any correspondence with the seller over email should be stored safely, either in print if you're old fashioned or on your PC, in case you need it later as proof.

File a consumer complaint

A consumer complaint can be filed only where the company in question has its branch or where the the product was delivered/scheduled to be delivered. For this reason, if the e-commerce retailer is set up in another country, pursuing a legal action becomes excessively expensive. Moreover

for retailers based overseas, you might not have the same liberties as you would in your own country.

Where can you file a consumer complaint

VALUE OF GOODS + COMPENSATION CLAIM	WHERE TO FILE
Upto Rs. 20,00,000	District Forum
Rs. 20,00,000 to Rs. 1,00,00,000	State commission
Above Rs. 1,00,00,000	National commission

If you're filing a complaint with the District Forum then it must lie in the area of the concerned seller's branch or main office, or the area where the purchase was made. However in case of online purchases, the District Forum may decide to decline the complaint if the company's office does not fall within the district, for that reason the user must clearly state the basis of the application

And lastly, here are some tips that you should keep in mind, before making a purchase:

1. Consult your peers before ordering
2. Be wary of relatively new or unheard of sites
3. Research well before ordering
4. Opt for CoD as far as possible for new sites
5. Don't give up, keep calling!
6. Take your frustration about a company to social networks. Online companies are very sensitive about their reputation on these networks, and you calling out the company's ineffective functioning might speed up their response.
7. Be civil throughout your interactions with the company.

In case you're extremely frustrated dealing with customer support of e-commerce sites to solve your issues, you could also try services like Akosha, which specialise in addressing consumer grievances. Akosha has in fact got a nice blog named "Consumer Tadka," which presents many case studies in consumer problem redressals. You could also post your complaints to sites such as www.consumercourtforum.in/ or <http://www.consumermate.com>, which have dedicated message boards for consumer complaints.

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FUTURE OF E-COMMERCE IN INDIA

e-Commerce in India has come a long way. Find out what's in store for the future

By the time you're done reading this pen pushing act, someone somewhere would have completed several online transactions. A few clicks, and they'd be all set to receive their cherished treasure within a day or two.

All it takes to reach the end of this article and to make an online purchase is a few minutes. One even spares oneself of the effort of leaving the

comforts of one's room, getting out of the house, negotiating the traffic of the city, reaching the nearest shopping area, scouting for the product and then finally, buying that item.

With online shopping, you save priceless time, energy and money. And if you're still not convinced about the impact of e-commerce in India, Google 'future of ecommerce in India'. We did, and within 0.17 seconds, reality was staring us in the face. Google bombarded us with 6,490,000 results.

Chances are you've probably already bought a cartload of wares from online stores. Chances are equally bright that you've also convinced one of the many emperors of the orthodox around us to buy goods online, just like you do. And even if you've shyed away from buying online till now, you're not late. The e-commerce story has just begun and you haven't missed much.

The digital story

You may be surprised to learn that by the end of this year around 150 million Indians will have access to the internet (as per latest figures released by market research leader IMRB and the Internet and Mobile Association of India (IAMAI)). By the same time, the population of active users would have reached 111 million.

With such a staggering number of netizens in India, it shouldn't surprise us that reliable estimates peg the current e-commerce market in India at Rs 50,000 crores and expect its worth to shoot up to Rs 120,000 crores by 2015. And this is when only a little over 10% of the online population uses the internet for purchases. The count is only going to increase. The prime factors fueling the growth may be the convenience of shopping, teamed with better internet connectivity and an increasing number of people coming to terms with online shopping. Speaking about connectivity, industry insiders



say that 3G and 4G technologies will prove to be the game-changers for e-commerce in India. In light of this fact, the industry assumption that close to 40 million online users will be part of the e-commerce story by 2015 seems plausible. And it's probably on this premise that investors are optimistic about pumping money into this market.

While in 2010 ecommerce witnessed a funding of \$110 million, within two years, the funding has gone beyond \$800 million, say reliable sources. The trend amply proves that India has been one large untapped e-commerce market so far. The truth is that we're witnessing an e-commerce boom – testimony to this trend is the increasing count of emails and text messages we're bombarded with daily by these e-tailers.

The industry speaks

To bring things into perspective we have the example of Kunal Bahl, co-founder of Snapdeal.com. Earlier this year, Kunal, in an interview to Knowledge@Wharton, had hoped to cross revenues of \$200 million by 2014. But he has revised his outlook now. As per his latest reaction to the same publication, Kunal is looking forward to reaching \$1 billion by 2015. He has been quoted as saying, "We did not anticipate such a growth trajectory and hence we have upped the ante and should get there comfortably."

Well, Bahl is not the only e-tailer who has set such an aggressive target. Take the case of Sachin Bansal, co-founder and CEO of Flipkart.com. Reacting after completing its fourth round of funding, Bansal has been quoted by Reuters as saying, "We are excited to complete this round of funding, which would fuel our growth plans and help us achieve our stated ambition of hitting \$1 billion in gross merchandise value by 2015." Bansal's confidence is obvious, given the funding he is managing to get, which is a result of the ecommerce industry having strong fundamentals in India.

The story so far

The mood may seem upbeat now, but when e-commerce was born in India, it had faced some really tough times. In 1999, when K Vaitheeswaran founded Fabmart.com (now IndiaPlaza), India's first e-commerce site, only a handful of the then 3 million internet users in India paid it any attention. Well, with slow and unreliable dial-up connections and text-only browsing, internet users had all the reasons to hesitate from making online financial transactions. Also, as compared to today, very few Indians had credit cards, which then were the only option for online payments.



But now, over a 100 million surf the web and close to 30 million netizens are crazy for online deals and discounts. Interestingly, industry estimates say that this figure grows by 1.5 million every month.

Likewise, Flipkart, India's largest online store has so far raised \$31 million within five years of existence. With over 5,000 employees, the e-commerce giant aims to hit \$1 billion by 2015. Last year, former eBay executive, Ambareesh Murty used a seed fund of \$5 million to launch Pepperfry.com. Earlier this year, Amazon stepped into the Indian market by launching Junglee.com, which is basically a product-comparison website. Other players such as Snapdeal and Myntra have also managed to tap investors to raise a sizeable fund.

Ground reality

In light of this, it's easy to understand how from the consumer's standpoint the current state of infrastructure is perfect for the evolution of eCommerce. Internet connections are getting cheaper, broadband penetration is increasing and people's mentality towards shopping online is changing. But why this sudden boom from the business side? Quite simple: wannabe entrepreneurs have never had it so easy. To set up a website you require no more than \$8 and essentially eCommerce is nothing but trading. You buy goods from one entity and sell to another. As for logistics you have existing courier services such as Aramex to tap into and for money trans-

fers you have pre-established gateways such as CCAvenue and PayPal. If you're lucky you don't even have to invest your own money because venture capitalists are always on the prowl for the next big idea.

Challenging times?

Okay, it isn't as simple as it sounds so let's discuss a few of the challenges before the market players.

The most crucial challenge is the payment mechanism. While online payment is the norm in developed countries, only 20% of purchases are done online in India. Reducing the count of cash on delivery orders is a major task for e-tailers as this model is basically contrary to the original idea of e-commerce. The industry thrives on others' resources, and with cash on delivery an e-tailer has to block his resources. This is actually an obstacle for an industry that hopes to step up from a slow trot to a gallop. Cash on delivery, if it continues for long, may turn into a handicap. Why, you ask? The expenses involved in physically collecting cash, rejections and longer turnaround time to receive money together make cash on delivery a less profitable model to sell goods online.

Typically, e-tailers spend an additional sum of Rs 35-65 for each sale involving cash on delivery. Indiaplaza.com, which sells books and electronic goods, was the pioneer in introducing the concept of cash on delivery. And now, the website finds it 'painful' to continue this way. In an inter-

view to the Economic Times, K Vaitheeswaran, the founder of Indiaplaza.com said, "Cash on delivery is the most inconvenient payment option. It allows customers too much time to change their mind." He adds, "Rejection rates are at about 45%, partly because there is no upfront cash commitment."

The next concern is the last mile delivery mechanism. Only 10% of the total PIN codes in India are covered by courier services. The enormity of



the concern comes to the fore when you get to learn that close to 60% of online sales are happening in relatively smaller cities.

In addition to these issues, there are also regulatory and taxation barriers that restrict e-commerce from growing. The concept of mobile payment is also at a nascent stage. Add to these impediments the high costs involved in customer acquisition and the fact that most market players are in the investment mode. Hardly a few have turned profitable. Investors are largely in a wait-and-watch mode.

Although in the light of these facts, the impressive market statistics discussed above create a contrast, there are definitely a number of concerns for the industry, which majorly revolve around travel ticket bookings.




When it comes to purchase of goods, the percentage is still relatively low. The reluctance of the Indian buyer is clearly visible with this. We as a nation wish to touch and feel a product before owning it. And that's not possible electronically. Interestingly to compensate for this, e-tailers are offering enticing deals and discounts. And the results are showing.

The road ahead

According to a report, titled, 'E-commerce: A boon for the current economic downturn' compiled by First Data Corporation, if the market trends are to be believed, the domestic e-commerce market has the potential to grow between \$125 billion and \$260 billion by 2024-2025. The report even talks about the fact that urban dwellers are now confident enough to make online purchases of up to Rs 25,000 up from the Rs 2,000-5,000 purchases in the recent past.

With this, it yet again seems only natural that the industry should flourish. India is a young country with more than half the country's population under the age of 25. The country is also getting richer and just in case the 'black money' stashed abroad, if at all, comes back, the surge in cash flow would consequentially push the economy to further thrive. Our income per capita has only grown and as per the International

Monetary Fund estimates it will increase substantially over the next few years. This means, with more money to spend, the upwardly mobile crowd will lap up content in online stores. This doesn't mean that the rural or semi-urban markets are not fertile for business. In fact around one-third of all products sold online are purchased from cities with a population of less than 3 million.

So, have you too noticed lately how people have gone beyond simply checking prices online to actually purchasing stuff? Look around, it's a fact. The country we live in is full of convenience seekers who hate going out to shop and are always on the lookout for discounts and deals. E-shopping offers all this and much more. This, it seems, sums up the entire issue. Do we need to take it any further? 



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